

**FBIS**

# DAILY REPORT

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U.S.-SOVIET ARMS TALKS END SECOND SESSION

OW150959 Beijing XINHUA in English 0910 GMT 15 Mar 85

[Text] Geneva, March 14 (XINHUA) -- U.S. and Soviet delegations completed their second session of arms control talks here Thursday and will continue the talks next Tuesday. A U.S. spokesman said the two sides had exchanged papers defining their aims.

Today's session did not take the form of separate group negotiations on strategic missiles, medium-range missiles and space weapons as originally scheduled. The two sides intend to keep the talks confidential.

On the contents of the exchanged papers, the U.S. spokesman said there will be nothing new. The Soviet side reportedly insisted that the three weapon groupings -- strategic missiles, medium-range missiles and space-based weapons -- are inseparable in terms of negotiations, while the U.S. says they are independent issues. Well-informed sources said the Soviet delegation insisted a new negotiation procedure be worked out.

## XINHUA Views Talks

OW180402 Beijing XINHUA Domestic Service in Chinese 0914 GMT 13 Mar 85

[Consolidated report by Chen Yonqian: "The Ins and Outs of the U.S.-Soviet Arms Control Negotiations"]

[Excerpts] Beijing, 13 Mar (XINHUA) -- The U.S.-Soviet arms control negotiations opened in Geneva on 12 March. The negotiations were decided on at the U.S.-Soviet foreign ministerial meeting in Geneva last January. Their agenda includes questions concerning strategic nuclear weapons, intermediate-range nuclear weapons, and space weapons. As the negotiations on the three issues are interrelated, the negotiations are also called "packaged disarmament talks." As the first new round of arms control negotiations since the suspension in November and December 1983 of the U.S.-Soviet talks on limiting intermediate-range nuclear arms in Europe and on strategic arms reduction, the talks have attracted broad international attention.

Space weapons talks are a new item in the U.S.-Soviet negotiations. At present, when the U.S. and Soviet military powers are generally balanced, whoever achieves superiority in space weapons will control initiatives for future wars. The Soviet Union took an early lead in developing antisatellite weapons systems in space. However, since Reagan proposed his "star wars plan" in March 1983, the United States has conducted a series of space weapons tests and has achieved rapid breakthroughs in the military technology. The Soviet Union was anxious to limit this development through talks.

On the other hand, the United States, which considers the reduction and limitation of the existing offensive strategic weapons and intermediate-range nuclear weapons as its principal goal, attempted to reduce certain Soviet advantages through negotiations. As a result, both sides made concessions and decided to include the three kinds of weapons in the new talks for discussion.



In view of the fruitless end of the past single-item negotiations and the increasing complex nature of the current "packaged disarmament talks," it is predictable that the negotiations will be protracted. The vast numbers of peace-loving people of the world all wish the United States and the Soviet Union to carry out genuine arms reduction and not try to achieve nuclear superiority under the cover of negotiations or to harm the security and interests of other countries.

CHEN MUHUA AT SIGNING OF UNICEF COOPERATION PLAN

OW151311 Beijing XINHUA in English 1134 GMT 15 Mar 85

[Text] Beijing, March 15 (XINHUA) -- A new cooperation program for 1985-1989 was signed here this afternoon by China and the United Nations Children's Fund (UNICEF). The plan covers 38 projects including the establishment of maternal and children's health model counties, and facilities for expanded immunization programs. Also included are training programs for grass-roots public health workers and pre-school teachers, the manufacture of pediatric medicines and teaching aids, child development studies, disease prevention and the treatment of handicapped children.

UNICEF will provide 50 million U.S. dollars in assistance, while the Chinese Government will cover local expenditures. The Chinese Ministry of Foreign Economic Relations and Trade will coordinate the work of various Chinese organizations involved in the projects.

Chen Muhua, Chinese state councillor and minister of foreign economic relations and trade, attended the signing ceremony. Before the ceremony, Chen met Dr. Carl E. Taylor, UNICEF representative to the Office for China, and other UNICEF officials to express her appreciation for the recent growth in Sino-U.N. cooperation.

From 1980 to 1984, China and UNICEF implemented two plans covering 16 projects. The U.N. organization provided 27.16 million U.S. dollars to help improve children's health, education and welfare programs in China.

DELEGATION LEAVES FOR UNESCO PARIS MEETING

OW190214 Beijing XINHUA Domestic Service in Chinese 1720 GMT 16 Mar 85

[Text] Beijing, 16 Mar (XINHUA) -- A Chinese Government delegation left Beijing this evening for Paris to attend the fourth international conference on adult education, sponsored by the UNESCO, which will open 19 March. Gao Yi, head of the delegation and chairman of the Chinese National Commission for UNESCO, already is in Paris. This is the first time that China has sent a delegation to such a conference.

UNDER SECRETARY ARMACOST BEGINS WORK VISIT

Talks with Yao Yilin

OW181126 Beijing XINHUA in English 1111 GMT 18 Mar 85

[Text] Beijing, March 18 (XINHUA) -- Chinese Vice-Premier Yao Yilin met Michael Armacost, U.S. under secretary of state for political affairs, here this afternoon at the Great Hall of the People.

At the 80-minute meeting, Yao briefed Armacost on China's economic reform, particularly in the rural areas. They also exchanged views on Sino-U.S. economic relations and other issues of common interests.

Armacost arrived here yesterday for a work visit. He had talks with Chinese Vice-Minister of Foreign Affairs Zhu Qizhen this morning.

Meets Wu Xueqian

OW191052 Beijing XINHUA in English 1047 GMT 19 Mar 85

["Wu Xueqian Meets U.S. Undersecretary of State" -- XINHUA headline]

[Text] Beijing, March 19 (XINHUA) -- Wu Xueqian, Chinese state councillor and minister of foreign affairs, met with Michael Armacost, U.S. undersecretary of state for political affairs, here at noon time today. They had a friendly and earnest talk on bilateral relations and issues of common interest. Wu gave a luncheon for Armacost after the meeting.

HONG KONG 'UPSET' OVER U.S. TEXTILE REGULATIONS

OW151704 Beijing XINHUA in English 1645 GMT 15 Mar 85

[Text] Hong Kong, March 15 (XINHUA) -- Hong Kong officials said today they could not accept the United States' final "country of origin" regulations on textile imports, after three days of talks in Washington which ended in deadlock.

The H.K. Trade Department director, Hamish MacLeod, said the talks have "confirmed our fears that the U.S. has no intention of softening the effect of the final regulations on Hong Kong's knitwear industry". He added: "We are most upset that reason has not prevailed."

Hong Kong industry chiefs fear the new rules will threaten 70 percent of their knitwear exports to the U.S. When the interim regulations were published in August, they said this could hit 50,000 jobs in Hong Kong, and lose 2.2 billion H.K. dollars in trade.

MacLeod, who led a delegation to Washington for the talks which ended on Thursday, said the publication of the final regulations on March 5 involved no significant change over the interim ones. He criticized the U.S. for refusing to compromise, despite the recent ruling by the Textiles Surveillance Body (TSB) in Geneva that Hong Kong's complaint against the U.S.'s unilateral action was justified.

MacLeod said the TSB had ruled that the U.S. action had upset the balance of rights and obligations under the bilateral textiles agreement. He continued: "Even our proposal that transitional arrangements be agreed to give industry time to adjust, under protest, brought no positive response."

Hong Kong could not accept the final regulations, and reserved its rights under the bilateral agreement, the Multi-Fiber Arrangement and the General Agreement on Tariffs and Trade. It would continue to argue its case in the Textiles Surveillance Body.

"Clearly our main aim now must be to ensure our industry is put in the best position to adjust quickly to the new situation," he said, stressing that any change in direction should in no way be interpreted as accepting the U.S. position.

MacLeod added: "We shall now be considering the implications of the situation in consultation with the industry and the textiles advisory board."

Under previous Hong Kong and U.S. rules, knitwear assembled in Hong Kong from parts made on the Chinese mainland was regarded as of Hong Kong origin, and was exported to the U.S. under Hong Kong quotas. But under the new regulations, many of these goods will be required to fall under China's mainland quotas.

#### REPORT EXAMINES DEVELOPMENT OF SINO-U.S. TRADE

OWL61411 Beijing in English to North America 0000 GMT 15 Mar 85

[Excerpts] The United States is one of the biggest trade partners of China. The trade between the two countries has grown tremendously for the past 10 years. Radio Beijing's reporter (Shi Chuanrong) examines Sino-American trade in his report from Shanghai.

It is a familiar scene at the Shanghai Exhibition Hall -- High-tech machine tools brandishing American trademarks and colorful lights. Dozens of Chinese factory managers and trade officials look at the exhibits with a genuine interest. They are interested because what is on display today might become tools for their enterprises later. A great number of businesses in Shanghai are looking for opportunities to start joint ventures with foreign companies. The current exhibition is sponsored by the U.S. Machine Tool Builders' Association. The exhibition director, Edward Hasemann, says that the more than 30 machines are from 23 American companies. He says that companies display their machines here because they recognize China as a big potential market.

While the U.S. machine-tool builders are showing their products, many early arrivers have already started businesses in China. The Minnesota Mining and Manufacturing Company, known as 3M, has started an exclusive investment venture in Shanghai. In fact, it is the first plant for the exclusively foreign investment in China outside the special development zone, east of the Huangpu River. It produces electric insulating tape and telecommunications connectors.

Like the 3M plant, trade between China and the United States is still limited, considering the sizes of the two countries. But economic ties are growing fast. Last year, bilateral trade passed U.S. \$6 billion, which is more than a 37-percent increase for both sides, compared to previous year. China exports to the United States textiles and petroleum products, and buys American manufactured products, including computers, scientific instruments, and equipment for energy industries. Deputy Assistant Secretary of the U.S. Commerce Department Mrs Paula Unruh said she is very optimistic about the future of Sino-U.S. economic relations.

[Begin Unruh recording] The trade that now exists between our two countries, the United States and China, is very exciting. Representing the U.S. Government, I would just like to say that we're not only very excited with what's going on today, but we have high hopes, and great expectations for what the two countries can do in the future. [end recording]

Although both sides are optimistic about future development, they also recognized the difficulties involved, such as the protectionist tendency in the United States, and the lack of specific laws and regulations concerning foreign trade in China. But both countries agree that these difficulties can be overcome since expanding economic relations will benefit both. As Mrs Unruh sees it, the doors are now open, the atmosphere is good, and the environment is favorable.

CONSUL GENERAL CITED ON INVESTING IN SHANGHAI

HK160710 Beijing ZHONGGUO XINWEN SHE in Chinese 1528 GMT 15 Mar 85

[Report: "In Hong Kong, U.S. Consul General Says Approval Has Been Given To Set Up Six U.S.-China Joint Ventures in Shanghai" -- ZHONGGUO XINWEN SHE headline]

[Text] Hong Kong, 15 Mar (ZHONGGUO XINWEN SHE) -- Today, at a luncheon held by the Committee for Commercial Relations With China of the American Chamber of Commerce in Hong Kong to celebrate the Spring Festival, Thomas Brooks, the U.S. consul general in Shanghai, said that the founding of six China-U.S. joint ventures in Shanghai had been approved by the Chinese authorities and four of them had been put into operation. In addition, the 3M Company, which is solely run by Americans, will formally open this month. Brooks pointed out that Shanghai had made a good start in attracting foreign investment and this area henceforth would spend some \$1 billion each year on renovations, especially on the purchase of advanced technology and equipment. This would provide a considerable market for foreign companies.

Brooks said that Shanghai is not only the largest port and the largest international and domestic trade center in China, but is also a science and technology center and a financial center. All this provides favorable conditions for American companies to invest there.

As for U.S.-China trade, Brooks proposed that American businessmen set up their representative offices in some smaller cities in China, because this will help them solicit more business.

Brooks revealed that last year, a total of 3,600 nonimmigrant visas were granted to people who were to go from China to the United States, showing an increase of 1,100 over the year before; and that the U.S. Commerce Department last year handled 550 cases of inquiries made by Chinese about their trade with the Americans. This shows that China has increased its contacts with foreigners. In addition, the Shanghai authorities have paid more attention to providing better schooling for foreign children living there.

When talking about relations between Shanghai and Hong Kong, Brooks said that the development of Shanghai will benefit Hong Kong, and Hong Kong's continuing prosperity will also be favorable to Shanghai. For example, more than half of the 83 joint ventures, cooperation projects, and compensation trade arrangements in Shanghai are related to Hong Kong interests.



CONFERENCE ON KOREA REUNIFICATION BEGINS

## Issue Affects World Peace

OW161900 Beijing XINHUA in English 1842 GMT 16 Mar 85

[Text] Paris, March 16 (XINHUA) -- The international conference for the elimination of the danger of war, for peace and peaceful reunification of Korea opened here this morning.

The conference pointed out that the removal of the danger of war in Korea would contribute significantly to the efforts for peace and disarmament and against the nuclear menace at a time when the United States and South Korea were conducting "Team Spirit-85" joint military maneuvers which increase the danger of war on the peninsula.

The 2-day conference is organized by the International Committee of Liaison for the Independent and Peaceful Reunification of Korea (Icliprk) and the World Council of Peace and participated by a number of international and regional organizations.

In their opening speeches, President Romesh Chandra of the World Council of Peace and President Lucio Luzzatto of the Icliprk said that peace in Korea was a matter not only concerning the Korean people but also affecting world peace.

The two presidents condemned the "Team Spirit-85", which, they said, "aggravates the situation on the Korean peninsula and threatens peace and security in Asia."

They appealed to the peace-loving people of the world to support the Korean people in their struggle for the peaceful reunification of the country.

Secretary-General of the Icliprk Guy Dupre delivered a report on the situation on the Korean peninsula.

## Objects to 'Team-Spirit-85'

OW161906 Beijing XINHUA in English 1851 GMT 16 Mar 85

[Text] Paris, March 16 (XINHUA) -- The secretary-general of an international organization emphasized here today that a peaceful solution to the Korea problem must be found through negotiations.

Guy Dupre, secretary-general of the International Committee of Liaison for Independent and Peaceful Reunification of Korea, made the point in his report here today to the international conference for the elimination of the danger of war, for peace and the peaceful reunification of Korea.

He noted that situation on the Korean peninsula had worsened once again owing to the ongoing U.S.-South Korean military maneuvers "Team Spirit-85," which is a "serious blow" to the North-South dialogue started in Korea and an obstacle in the path of a peaceful solution offered by the proposal of tripartite talks.

"It constitutes not only one of the main obstacles on the path towards the peaceful reunification of Korea but also a serious threat to peace in Asia and in the rest of the world," he said.

"Faced with this situation," he said, "we share now more than ever, the belief of the Korean people that eliminating the danger of war in Korea and assuring a lasting peace, is an urgent task which greatly concerns them."

He declared that to preserve peace and security in Asia and the rest of the world, a lasting peace must be established on the Korean peninsula and the problem of the reunification of Korea must be settled by peaceful means.

The secretary-general urged all peace-loving people to take "vigorous actions in this sense and to demand the transformation of the Korean peninsula into a denuclearized zone, a zone of peace."

#### Reunification Talks Urged

OW171648 Beijing XINHUA in English 1603 GMT 17 Mar 85

[Text] Paris, March 17 (XINHUA) -- The international conference for the elimination of the danger of war, for peace and the peaceful reunification of Korea called on the United States and South Korea today to respond without delay to the proposal for tripartite talks put forward by the D.P.R.K.

The conference, which opened here yesterday, was called in view of "the seriousness of the situation on the Korean peninsula," including provocative military moves made by the U.S. and South Korea.

In an appeal adopted by the conference today and addressed to the people, governments, political parties and social organizations of all countries, it was pointed out that the proposal for tripartite talks "is a realistic solution, conforming to the rights and the interests of people to peacefully solve the Korean problem through dialogue and negotiation."

But, it said, the U.S.-South Korean military exercises code-named "Team Spirit-85" led to the breaking off of talks between North and South Korea which had just begun.

The conference demanded that the United States and South Korean authorities stop their moves aimed at sabotaging the talks and respond without delay to the proposal for tripartite talks. It appealed to the American people to exert pressure on their government to participate in the tripartite talks.

The conference today also adopted a message of solidarity with the people of South Korea. The message said that the conference participants "are anxious to demonstrate their total solidarity with all those who act in South Korea for democracy and human rights, for reunification, for independence and peace."

#### DPRK JOURNAL CITED ON NORTH-SOUTH DIALOGUE

HK190258 Beijing RENMIN RIBAO in Chinese 16 Mar 85 p 7

[Report by Liu Zhengxue and Feng Zhiyuan: "The Korean Central Publication KULLOJA Stresses Improving North-South Relations Through Dialogue and Consultations"]

[Text] Pyongyang, 15 Mar (RENMIN RIBAO) -- A signed article published in the March issue of the Workers Party of Korea central theoretical journal KULLOJA stresses improving relations between North and South Korea through dialogue and consultations.



The article said: Improving relations between North and South Korea and the peaceful reunification of Korea through dialogue and consultations is the consistent stand of North Korea. To achieve this goal, the Workers Party of Korea and the KPRK Government have made sincere and unremitting efforts.

The article pointed out: In the final analysis, the crux of improving relations between North and South Korea lies in the elimination of confrontation and the establishment of national concord and unity, which will eventually lead to reunification. In order to solve the nation's internal problems, it is necessary to get rid of all intervention by external forces and avoid appeals to arms. Only dialogue and consultations can ease the tense relations between an antagonistic North and South Korea and bring about an overall improvement of the relations between the two sides. Therefore, dialogue and consultations are the rational approach to the satisfactory settlement of the nation's internal problem.

The article held that as the North and South have long been dominated by different systems and ideologies, the relations between the two sides cannot possibly be improved and the Korean nation will be split forever as long as both sides want to keep their own system and ideology intact; and conflicts and war will be inevitable and the results will be irremediable if both sides want to force their own system and ideology onto the other. In order to solve the problem, the two sides must actively carry on dialogue and contacts, trying to surmount their ideological and political differences on the premise that differences between the two sides in ideology and system are recognized and tolerated by each other.

The article condemned the South Korean authorities and the United States for placing obstacles in the dialogue between the North and South, emphasizing that North Korea, with the aim of initiating dialogue between the North and South and expediting the reunification of the motherland, has put forth reasonable proposals more than 200 times and has resolutely struggled for the implementation of these proposals since Korea was divided.

The article said: The North will continue to "make every effort to initiate talks between the North and South, to push ahead the dialogue between the two sides, and to improve relations between the two sides, so as to effect an early reunification of the motherland."

#### DPRK STAND ON NORTH-SOUTH TIES UNCHANGED

OW181652 Beijing XINHUA in English 1640 GMT 18 Mar 85

[Text] Pyongyang, March 18 (XINHUA) — The stand of the Democratic People's Republic of Korea (DPRK) on improving relations between North and South through dialogue remains unchanged, the Korean newspaper NODONG SINMUN reported today in a commentary.

The article points out, however, that the U.S.-South Korean "Team Spirit-85" military exercises now underway runs counter to this approach.

Dialogue cannot be held amid the antagonist atmosphere incited by the South, the article says.

"No matter how valuable dialogue and negotiations may be, we will not beg for dialogue from those who threaten us with strength," the article emphasizes.

Whether dialogue between the two sides will be resumed depends on the South Korea's attitude, says the article.

The DPRK suspended North-South dialogue when the joint military exercises were announced.

COMMENTARY VIEWS THAI-PRC TIES AS AID TO PEACE

OW170222 Beijing in Mandarin to Southeast Asia and Southern Pacific 0900 GMT 15 Mar 85

[Commentary by station commentator (Ya Ming): "A Vivid Demonstration of Friendship and Cooperation Between China and Thailand -- On President Li Xiannian's Visit to Thailand"]

[Text] Li Xiannian, president of the People's Republic of China, wound up his 5-day state visit to Thailand on 15 March. Some 500,000 Bangkok residents lined the streets to welcome President Li Xiannian during his stay there. He met with King Phumiphon Adunyadet and Prime Minister Prem Tinsulanon and held sincere talks with them. The visit that he paid in an atmosphere of kinship has vividly demonstrated the profound friendship and close cooperation between China and Thailand.

At the banquet given in President Li Xiannian's honor, King Phumiphon Adunyadet said with deep feeling: Thailand and China hail a long relationship reaching back into ancient times. We may describe the relationship as inseparable.

Indeed, since the establishment of diplomatic relations between China and Thailand in 1975, the two countries, respecting and trusting each other, have cooperated closely in the political, economic, and cultural fields. President Li Xiannian's recent visit has further consolidated and strengthened the cooperation between the two countries. During his visit to Thailand, the Chinese Government and the Thai Government signed two agreements, one on the establishment of a joint committee on economic cooperation and the other on the promotion and protection of investment. Just as Prime Minister Prem said, the signing of the two agreements marks a new era of economic cooperation between Thailand and China.

The talks between President Li Xiannian and Prime Minister Prem have once again shown that China and Thailand hold identical views on the Cambodia issue. Both sides hold that Vietnam's occupation of Cambodia not only threatens peace in Southeast Asia, but it also directly threatens Thailand's security. Both sides have said that the Cambodia issue can be settled only after Vietnam withdraws all its troops from Cambodia. President Li Xiannian has again emphasized that China resolutely supports Thailand's heroic resistance against the Vietnamese aggressors' provocations and incursions. All these show that the determination of China and Thailand to oppose Vietnam's aggression and expansion and defend peace in Southeast Asia is firm. China, Thailand, and other ASEAN nations will continue to support the struggle against Vietnam and for national salvation waged by the Coalition Government of Democratic Kampuchea and the Cambodian people under its leadership.

It is obvious that a further strengthened friendship and cooperation between China and Thailand has an important bearing on the maintenance of peace and stability in Asia, and particularly in Southeast Asia. For this reason, people attach great importance to President Li Xiannian's visit to Thailand. At the same time, his visit has also convinced people that the friendship and cooperation between China and Thailand will be further developed.

XINHUA NEWSLETTER HAILS SINO-THAI FRIENDSHIP

OW161133 Beijing XINHUA Domestic Service in Chinese 1611 GMT 14 Mar 85

[Newsletter by reporter Tian Jinlan: "Sino-Thai Friendship Is Like a Flower"]

[Excerpts] Bangkok, 14 Mar (XINHUA) -- Flowers contend in beauty and give off fragrance, and cushion-like grass and flower nurseries are everywhere in Bangkok in March.

Many centuries ago, a large number of Chinese came to settle in Thailand. They worked hard there, married local people, and established a blood relationship with them. In the 10 years since the establishment of diplomatic relations between China and Thailand in 1975, the flowers of Sino-Thai friendship have become even more thriving, and Sino-Thai relations have rapidly and comprehensively developed.

In the common struggle to defend peace in Southeast Asia and in Asia as a whole in the last few years, the friendship between the Chinese and Thai peoples has been further consolidated and tempered. Particularly in the situation of Vietnam's occupation of Cambodia and constant incursion into Thai territory, the governments and peoples of China and Thailand always trust and support each other. President Li Xiannian's current visit to Thailand has added a new page to the annals of Sino-Thai friendship. The kinship and freindship between the Chinese and Thai peoples has blossomed, and will go on from generation to generation.

THAILAND URGES USSR HALT AID TO SRV

OW181526 Beijing XINHUA in English 1430 GMT 18 Mar 85

[Text] Bangkok, March 18 (XINHUA) -- Thailand called on the Soviet Union to stop providing military assistance to Vietnam, said spokesman of Thai Foreign Ministry Saowanit Khongsiri here today.

He was speaking to the press following Thai Foreign Minister Sitthi Sawetsila and Under-Secretary of State Arsa Sarasin met today separately with Mikhail Stepanovich Kapitsa, vice foreign minister of the Soviet Union who was in Thailand for the 41st session of the U.N. Economic and Social Commission for Asia and the Pacific.

Saowanit told the press that the Thai side showed Kapitsa pictures of Vietnamese violations against Thailand's sovereignty. Thailand considers this a matter of Thai national interest and wants Moscow to think over Thailand's stand on this issue.

According to Saowanit, the two sides had a frank exchange of opinions on many problems. But he added the two sides failed to resolve their differences on some problems. He did not further reveal the details of their talks. The spokesman said Sarasin had accepted an invitation by Kapitsa to visit the Soviet Union in 1985.

USSR'S KAPITSA ON SOLUTION TO CAMBODIA ISSUE

OW151711 Beijing XINHUA in English 1642 GMT 15 Mar 85

[Text] Canberra, March 15 (XINHUA) -- Soviet Deputy Foreign Minister Mikhail Kapitsa said during his tour in Australia that his country would be ready to take part in an international conference and act as one of the states that might guarantee an agreement between ASEAN countries and Indochinese countries.

Kapitsa preached that the Soviet Union was taking a very positive stand in trying to find a solution to the Kampuchean issue, according to Australian press reports.

The idea of an international conference on Kampuchea referred to by Kapitsa has been already rejected by Thai Foreign Minister Sitthi Sawetsila who declared on March 7 that Thailand would not take part in an international conference on Kampuchea, because Vietnam had never made clear what would be discussed in such a conference.

Kapitsa tried to whitewash the recent Vietnamese incursions into Thai territory. He said that "this is only the version of the Thai side. The Soviet position is that there have been no incursions," adding that the Kampuchea-Thailand border was ill-defined.

Kapitsa will leave Australia tomorrow for Bangkok to continue his shuttle diplomacy on the Kampuchean issue.

SRV ARMY REPORTED ON BORDER WITH THAILAND

OW181518 Beijing XINHUA in English 1440 GMT 18 Mar 85

[Text] Bangkok, March 18 (XINHUA) -- About six divisions of Vietnamese troops, together with tanks and antiaircraft artillery pieces, have been moved to the Kampuchean-Thai border, which is seen here by the Thai military as a prelude to a second major Vietnamese intrusion into Thailand.

According to a report received here today from Thailand's northeastern province of Surin bordering Kampuchea, the latest Vietnamese military movements are most evident in areas near the former Sihanoukian Army headquarters of Ta Tum in Oddar Meanchey Province where about three divisions of Vietnamese troops have been deployed and antiaircraft artillery pieces moved up. Two other divisions have been stationed opposite Phra Palai border pass in Khum Harn District of Sisaket Province while another division is entrenched opposite Nam Yuen in Ubon Ratchatani Province, in northeastern Thailand.

About 1,000 Vietnamese troops are massing at Ban Ampil in Kampuchea near the O-Bok border pass, the report said.

The report also quoted the Thai Second Army Region Deputy Commander Phisit Hemabut as saying that Vietnamese had sent in small units of special troops to collect intelligence information and plant numerous landmines. In some cases, he said, the Vietnamese patrol went as deep as six to seven kilometers inside Thailand. "Our troops have had to unearth the landmines almost every day."



NPC STANDING COMMITTEE SESSION CONTINUES

## Rong Yiren on African Tour

OW180931 Beijing XINHUA Domestic Service in Chinese 1528 GMT 16 Mar 85

[Text] Beijing, 16 Mar (XINHUA) -- In a written report to the 10th meeting of the 6th NPC Standing Committee on the afternoon of 15 March, Rong Yiren, vice chairman of the NPC Standing Committee and head of the NPC delegation to Rwanda, Burundi, and Zaire, said: At the invitation of the Rwandan National Development Council, the Burundi National Assembly, and the Zairian National Legislative Council, an NPC delegation visited Rwanda, Burundi, and Zaire 10-26 January 1985. The visit increased understanding and deepened friendship and was successful.

The written report says: Along with the development of the NPC's foreign affairs work our country has received parliamentary delegations from Rwanda, Burundi, and Zaire during the last 2 years. Ties between the NPC and the parliaments of these three countries have been established. The NPC delegation's visit was a return visit to these countries. The parliaments and governments of the three countries attached great importance to the delegation's visit, and accorded it a warm welcome and a ceremonious and friendly reception. The delegation was received by the presidents of the three countries, who all expressed satisfaction over the current state of bilateral friendship and cooperation and the wish to further strengthen and develop these relations. The delegation also received a warm and ceremonious welcome from local officials and people on its visits to provincial areas of the three countries.

The report says: The delegation's visit was the first visit to the three countries by an NPC delegation. The delegation held meetings and talks and had extensive contacts with the countries' parliamentary, party, and government leaders and other personages. It carefully listened to briefings on the situations in various fields in the countries visited and at the same time actively explained on its own initiative our country's Constitution and our people's congress system, our present excellent political and economic situation, and particularly our economic structural reform, the open-door policy, and other major policies and developments. It also clarified our country's independent and peaceful foreign policy. The response of the host countries indicate that the visit truly had the effect of deepening mutual understanding and strengthening mutual friendship.

The report says: China's friendship toward Rwanda, Burundi, and Zaire has taken root in the hearts of the people of these countries. We believe that our future economic and technological cooperation with the African countries should continue to be based on the principle of "equality and mutual benefit, stressing tangible results and variety in form and seeking joint development." The NPC should fully use the advantages of "parliamentary diplomacy" to carry out active foreign affairs activities to serve the goal of opposing hegemonism, safeguarding world peace, strengthening friendship with the people of all countries, and promoting our country's four modernizations. We feel that the NPC's foreign affairs activities are an important part of our country's diplomatic work. Their success will be of major significance in publicizing our country, strengthening bilateral relations, advancing our entire diplomatic work, promoting our country's four modernizations, and safeguarding world peace.

## Foreign Contract Law Described

OW190132 Beijing XINHUA Domestic Service in Chinese 1546 GMT 16 Mar 85

[Text] Beijing, 16 Mar (XINHUA) -- In his report on the result of the NPC Law Committee's deliberation on "The Law of the People's Republic of China on Foreign Economic Contracts (Draft)" at the 10th meeting of the 6th NPC Standing Committee on 15 March, Shen Hong, vice chairman of the NPC Law Committee, said: In deliberating the draft law on foreign economic contracts on the basis of the opinions of some NPC Standing Committee members and relevant provincial, autonomous regional, municipal, and central departments, the NPC Law Committee noted that enacting "the law on foreign economic contracts" is essential to ensuring successful implementation of the open-door policy and further promoting foreign economic cooperation. Some amendments to the draft, which is basically well conceived and feasible, have been recommended.

On the question of applicable laws for solving disputes arising from contracts, Shen Hong stated: As some departments, localities, and legal experts have noted, with the exception of certain types of contracts, disputes arising from other contracts may, according to international practice, be handled in accordance with the law chosen by the parties concerned as the applicable law, or the law of the country with which the contracts are closely related should the parties fail to choose the applicable law. It is suggested that relevant provisions in the draft be amended to read: The parties to a contract may choose the applicable law for disputes arising from their contract, and the law of the country with which the contract is closely related shall be the applicable law should the parties concerned fail to choose it. The law of the People's Republic of China shall apply to contracts for joint ventures with Chinese and foreign investments, cooperative enterprises run by Chinese and foreign businessmen, and joint projects for exploring and developing natural resources between Chinese and foreign concerns within the territory of the PRC.

Shen Hong said: As China's current foreign economic law has yet to be perfected, it is likely that one may fail to find proper legal bases for solving some contract-related disputes should the Chinese law apply. Therefore the following additional clause to these provisions is recommended: Where the law of the PRC has failed to stipulate relevant provisions, international practice shall apply. According to some legal experts, should certain international treaties, which China has concluded or to which China is a party, have different provisions from the Chinese law, then, in accordance with the international practice, these international treaties will apply. Therefore the following additional clause to the general provisions is recommended: Where an international treaty which the PRC has concluded or to which it is a party and which has a bearing on the contract concerned, carries provisions different from those of the PRC law then, except for the clauses which the PRC has clearly stated to be reserved, that international treaty shall apply.

On the issue of whether or not contracts for joint ventures with Chinese and foreign investment and cooperative enterprises run by Chinese and foreign businessmen may still be enforced when new provisions are introduced in the law, Shen Hong remarked: Some Standing Committee members and local authorities have suggested that the following clause be added to the supplementary provisions to help attract foreign capital: Where the law has new provisions, contracts which have been approved by the state and are enforced within the territory of the PRC for joint ventures with Chinese and foreign investments, cooperative enterprises run by Chinese and foreign concerns, and cooperative projects for exploring and developing natural resources may still be enforced in accordance with provisions of the contracts.



Shen Hong said: The draft stipulates that this law applies mutatis mutandis to contracts made between the PRC enterprises or economic organizations and joint ventures with Chinese and foreign investments and cooperative enterprises run by Chinese and foreign businessmen, as well as contracts made between joint ventures with Chinese and foreign investments and cooperative enterprises run by Chinese and foreign businessmen. According to some legal experts and the Beijing Municipal Commission of Foreign Economic Relations and Trade, "the economic contract law" should apply to contracts made between joint ventures with Chinese and foreign investments and cooperative enterprises run by Chinese and foreign businessmen because they are contracts between Chinese legal persons. Therefore, it is suggested that this clause be deleted.

On the issue of prescriptions for litigation and arbitration, Shen Hong said: The draft stipulates that the prescriptions for litigation for the right of claim stemming from the contract shall be enforced in accordance with the relevant laws of the PRC. Some localities and departments have proposed setting forth specific provisions in this law for the prescriptions for litigation and arbitration over disputes arising from foreign economic contracts. Our study shows that there are many types of foreign economic contracts, making it difficult to formulate provisions concerning the prescriptions for litigation and arbitration for the time being. However, relevant UN treaties may be consulted in formulating provisions concerning the prescriptions for litigation and arbitration over disputes arising from sales and purchase contracts for commodities, which account for over two-thirds of foreign economic contracts. Therefore, it is suggested that this provision be amended to read: The prescription for litigation and arbitration over disputes arising from sales and purchase contracts for commodities shall be 4 years starting from the day the party concerned realized or should have realized that its rights had been violated. Prescriptions for other types of contracts shall be determined separately in other legal provisions.

In his report, Shen Hong also explained the reasons for deleting some clauses. In conclusion, he said: Some Standing Committee members and local authorities have proposed to apply the law on foreign economic contracts to economic contracts made between Chinese citizens and foreign businessmen as well. After consulting with the Ministry of Foreign Economic Relations and Trade, and having noted the complexity of the issue, the lack of experience in this respect, and the disparity of opinions among the parties concerned, it has been decided that provisions not be made in this connection for the time being.

#### Draft Inheritance Law Studied

OW182355 Beijing XINHUA Domestic Service in Chinese 1650 GMT 16 Mar 85

[Text] Beijing, 16 Mar (XINHUA) -- Zhang Youyu, vice chairman of the NPC Law Committee delivered a report to the 10th Session of the 6th NPC Standing Committee on 15 March regarding the result of deliberations of the "Inheritance Law of the People's Republic of China (Draft)" by the NPC Law Committee. He said: Through repeated deliberations, the Law Committee has arrived at the conclusion that the draft inheritance law conforms to the constitutional guidelines. The provisions on safeguarding citizens' legal rights of inheritance to property, equal right to inheritance for men and women, and giving financial support to old people, are suitable to China's actual conditions.

Zhang Youyu said: The Law Committee basically endorses this draft, but wants to make the following revisions:

1. Regarding the scope of inheritance: Some members of the NPC Standing Committee have noted that, since more people are pooling their funds to purchase shares, and the state has also floated treasury bonds, it should be clearly stipulated that securities can be inherited.

Therefore, it is suggested that "securities" be included in the scope of inheritance. In accordance with the opinions of some members of the NPC Standing Committee, it is suggested that "zhu zuo quan" [5511 0155 2938] be used in place of "ban quan" [3652 2938] [both meaning "copyright"], and that "the means of production legally owned by the citizens," be used instead of "the citizens' means of production." The revised usages are more precise.

2. Regarding the inheritors of the third priority: The draft law stipulates that a brother's son and daughter, or sister's son and daughter are inheritors of the third priority. Some members of the NPC Standing Committee favor such a stipulation, while other members, and the Supreme People's Court, are against it. The Law Committee maintains that this need not be stipulated, and suggests the deletion of "third priority: brother's son and daughter, sister's son and daughter" in the draft law. Because, if the son or daughter of the owner's brother provided more support for the owner when he was alive, the draft law stipulates that the former is entitled to an appropriate amount of the inheritance.

3. Regarding the legal inherited shares: In accordance with the opinions of some members of the NPC Standing Committee, the following revisions are made to the provisions in the draft law concerning the inherited share of the same priority: 1) Inheritors who have the ability to provide for the owner, or whose conditions allow them to do so, but who fail to do so "may receive a smaller share, or no share at all" at the time of distribution of the inheritance. It is suggested that this provision be changed to read "should receive a smaller share, or no shares at all." 2) The draft law stipulates that "inheritors who lack the ability to work, who do not have any source of income, or who have special difficulties sustaining their families" should be given due consideration at the time of distributing the inheritance. Difficulties in sustaining one's family may be caused by many factors. If these difficulties are the result of squandering money, or of refusing to work despite the ability to do so, no consideration should be given. Therefore, it is suggested that this provision be changed to read "inheritors who have difficulties sustaining themselves, and who lack the ability to work."

4. Regarding the question of distribution of the inheritance to children of those who have forfeited their right to that inheritance: The draft law stipulates that "in the case of the owner's children who have been deprived of the right to inheritance, their children who lack the ability to work, and who do not have any source of income, are entitled to an appropriate amount of the inheritance." It is suggested that this be deleted, because if an inheritor forfeits the right to inheritance, his children could not inherit in his place. If his children were raised by the owner when he was alive, other stipulations in the draft law may be applicable, such as "an appropriate amount of the inheritors, who relied on the owner for support when he was alive, who lack the ability to work, and who do not have any source of income."

5. Regarding the contents of the will: The draft law stipulates that "the contents of the will should not violate the law," and "the portions violating the law are void." Since some comrades said that the implication of "should not violate the law" is too general, and is prone to misinterpretation, it is suggested that the phrase be deleted. Of course, if provisions are given in other laws -- such as the law on protecting cultural relics, which stipulates that cultural relics in a personal collection are strictly prohibited from being sold to foreigners -- the relevant laws should be observed.

6. Regarding the handling of the inheritance: The draft law stipulates that the owner of the inheritance should take proper care of his heritage, which "cannot be unilaterally handled, misappropriated, or snatched" by anybody.

It is suggested that the mention of "unilaterally handled" or "cannot be unilaterally handled" be deleted, because, when one parent is dead while the other is still alive, children usually do not divide the inheritance, which will be managed, and used, by the living parent. Division of the inheritance will be made when both parents are dead. If it is stipulated that the inheritance "cannot be unilaterally handled," then the living parent may only be able to manage, rather than use the inheritance.

7. Regarding the question of repaying debts: The draft law stipulates that, when receiving an inheritance and bequeathed gifts, the inheritor must repay the owner's personal debts. The Law Committee suggests a supplement to the effect that the inheritor should pay the taxes yet to be paid by the owner in accordance with the law.

8. Regarding the question of inheritance among minority nationalities: Since the customs and habits of minority nationalities are different, and the conditions are very complicated, it is impossible to make specific stipulations in the inheritance law. The draft law stipulates that the people's congresses of the localities practicing autonomy by the nationalities may formulate flexible, or supplementary, stipulations. This is basically appropriate. However, the draft law states that "provisions adopted by the autonomous regions will take effect after being reported to, and approved by, the Standing Committee of the National People's Congress." In consideration of the autonomy due to the nationalities autonomous regions, it is suggested that "take effect after being reported to and approved by" be changed to "be filed for the record to."

9. Regarding inheritance involving foreign relations: The draft law stipulates that "if the heritage to be received by Chinese citizens concerned is located outside the PRC, the laws of the owner's place of residence, or where the real estate is located, shall be applied." Some comrades proposed that "the laws of the owner's place of residence, or where the real estate is located, shall be applied" lacks clarity, and that distinctions be made between personal property and real estate. Meanwhile, it should be clearly stipulated which laws are to be applied in the case of foreigners receiving an inheritance located in China. Therefore, it is suggested that this provision be appropriately revised.

Zhang Youyu said: The revised draft presented to the 10th Session of the 6th NPC Standing Committee contains the revisions mentioned above. The Law Committee suggests that the NPC Standing Committee deliberate, make a decision on it, and present the revised draft to the Third Session of the Sixth NPC for examination and deliberation.

#### LI XIANNIAN VISITS ZUNYI MEETING SITE 18 MAR

HK190340 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 18 Mar 85

[Excerpts] According to GUIZHOU RIBAO, President Li Xiannian inspected work in Zunyi on 17 and 18 March. He was accompanied by State Councillor Ji Pengfei. On the morning of 17 March, President Li and his party, accompanied by Chi Biqing, first secretary of the provincial CPC Committee, and Su Gang, secretary of the provincial CPC Committee, arrived at Zunyi by car. Also present were Liu Shuqing, vice foreign minister [title as heard]; Xu Xin, deputy chief of the General Staff of the PLA; Lu Xuejian, vice minister of foreign economic relations and trade; as well as Comrades Lin Jiamei and (Chi Hanbin).

Upon arrival, President Li inspected Wujiangdu hydroelectric power plant at (Wujiang) town, Zunyi County.



This hydroelectric power project, which has a total installed capacity of 630,000 kw, was studied by the State Council during President Li's term of office and approved by him. Upon learning that this power plant had been built with high quality and had returned the investment since it began operations, President Li expressed his satisfaction.

At 1600 that afternoon, President Li arrived at Zunyi and went by car to the (Tonghua) machine-building factory, which is scores of kilometers away from the city. He visited the factory's workshop, inspected the production situation, and had pictures taken with some of the cadres and technicians.

On the morning of 18 March, President Li visited the site where the Zunyi meeting was held, as well as the former site of the Red Army General Political Department, where he wrote a 4-character inscription meaning to take a turn for the better and escape from danger. Through this he spoke highly of the historical achievements of the Zunyi meeting. During his return trip, he visited (Fenghuang Shan), where the Red Army had a fierce fight with the enemy; (Zhangyang) cemetery of Red Army martyrs; and the monument to Red Army martyrs.

Despite his 76 years, President Li took off his coat in the cold, rainy spring weather and planted a tree next to the monument to express cherishing the memory of the Red Army martyrs. That morning, President Li also visited the (Guizhou) steel mill. During his visit to Zunyi, President Li was greatly interested in the industrial construction of the city and the province.

During his inspection tour, President Li repeatedly stressed that we should work hard for the prosperity of the country and build up the country through thrift and hard work. He said: Presently, the situation in Guizhou is very good, as it is in the country. In particular, agriculture is much stronger than several years ago. People now have enough food to eat and clothes to wear, and their living standards are improving with each passing year. However, we must pay attention to hidden troubles, such as arbitrarily hiking prices. Therefore, I mentioned in particular in this year's Spring Festival greetings message the practices of working hard for the prosperity of the country, building the country through thrift and hard work, implementing tasks in a down-to-earth manner, being bold in making innovations, and guarding against arrogance and rashness. Premier Zhao also talked about building the country through thrift and hard work. Presently, our country is still not prosperous. We must not think that we are very rich now. We must educate youths on the importance of building the country through thrift and hard work.

#### ULANHU, OTHERS ATTEND SUN YAT-SEN COMMEMORATION

OW160033 Beijing XINHUA Domestic Service in Chinese 1235 GMT 12 Mar 85

[Text] Beijing, 12 Mar (XINHUA) -- People from various circles in the capital attended a meeting this morning at Zhongshan Hall in Zhongshan Park to commemorate the 60th anniversary of the death of Dr Sun Yat-sen. On behalf of the CPC Central Committee, Ulanhu laid a basket of flowers before the portrait of this great forerunner of the revolution.

Attending the commemoration meeting were members of the Political Bureau of the CPC Central Committee Xi Zhongxun, Wang Zhen, and Yang Shangkun; Vice Chairmen of the NPC Standing Committee Xu Deheng, Peng Chong, Wang Renzhong, Ngapoi Ngawang Jigme, Bainqen Erdini Qoigyai Gyaincain, Zhou Guoheng, and Yan Jici; Vice Premier of the State Council Tian Jiyun; and Vice Chairmen of the CPPCC National Committee Yang Jingren, Cheng Zihua, Kang Keqing, Hu Ziang, Wang Kunlun, Dong Qiwu, Chen Zaidao, Burhan Shahidi, Miao Yuntai, Fei Xiaotong, Qu Wu, and Mao Yisheng.

The commemoration meeting was officiated by Vice Chairman of the NPC Standing Committee Zhu Xueian. The meeting attendants stood in silent tribute before Dr Sun Yat-sen's portrait. Xu Deheng, Hu Ziang, Wan Kunlun, Yang Jingren, Sun Fuling, and Hou Jingru laid baskets of flowers before the portrait of Dr Sun Yat-sen, respectively on behalf of the NPC Standing Committee, the CPPCC National Committee, the Central Committee of the Revolutionary Committee of the Chinese Kuomintang, the United Front Department of the CPC Central Committee, the Beijing municipal government, and the Beijing Municipal Committee of the Revolutionary Committee of the Chinese Kuomintang. Entrusted by Comrade Deng Yingchao, Secretary General of the CPPCC National Committee Peng Youjin laid a basket of flowers before the portrait. Comrade Liao Mengxing also placed a basket of flowers there.

Also attending the commemoration meeting were responsible persons from departments concerned: Li Gui, Jiang Ping, Chen Xin, Yang Zhengmin, Cheng Siyuan, Luo Hanxian, Song Demin, Sha Li, Song Kun, Ma Zhengxin, Liu Xiaoping, Ma Yongshun, and Feng Tingxiong; members of the NPC Standing Committee Wang Fu, Niu Yinguan, Kong Congzhou, Ai Qing, Gu Gengyu, Liu Danian, Wu Shichang, Zhang Youyu, Chen Zongji, Ouyang Yi, Qian Duansheng, Gao Dengbang, Zhang Ruiying, Chu Tunan, and Lei Jieqiong; members of the Standing Committee of the CPPCC National Committee Ma Xin, Wang Li, Wang Guo, Wang Guangmei, Wang Liangzhong, Fang Rongxin, Ye Zhishan, Ye Duiyi, Ye Gongshao, Ye Daoying, Rong Ziheng, Zhuang Mingli, Liu Yin, Liu Ding, Liu Kaiqu, Liu Ningyi, Tang Dequan, An Shiwei, Sun Chengpei, Sun Qimeng, Sun Xiaocun, Yan Xinmin, Su Ziheng, Li Li, Li Jue, Li Yi, Li Chunqing, Li Tiezheng, Li Xuefeng, Yang Shijie, Yang Xiguang, Yang Fangzhi, Wu Juenong, Wu Xuezhi, Wu Genyue, Wang Dezhao, Shen Qizhen, Zhang Bilai, Zhang Xiaoqian, Zhang Hanying, Zhang Xiangshan, Zhang Jingli, Zhang Paishi, Chen Shunli, Lin Hengyuan, Yi Lirong, Zong Huaide, Zhao Boping, Ke Lin, Zhong Shitong, Zhong Huilan, Hou Xianglin, Wen Jiasi, Yuan Hanqing, Nie Zhen, Qian Fuxing, Xu Maijin, Xu Yiqiao, Xu Binzhou, Ling Qihan, Guo Weicheng, Tan Haosheng, Tao Dayong, Huang Wei, Sa Kongliao, Zhang Shiming, Liang Shuming, Ge Zhicheng, Cheng Yuqi, Lei Tianjue, Cai Xiao, Cai Ziwei, Zang Kejia, Pan Shu, and Wei Chuantong; NPC deputies, members of the CPPCC National Committee, and concerned personages Tian Fuda, Sun Ying, Du Jianshi, Shen Zui, Song Weibin, Zhang Suwo, Xu Mengshan, Guo Xiuyi, Xu Ziqing, Huang Jieran, Zhao Mingzhe, Tang Honglie, Yang Ximei, Jiang Puchun, Liu Chunfang, Li Yiping, Yu Zhanbang, Chen Xihue, Wen Qiang, Luo Lirong, Yang Botao, Zheng Tingji, and Qiu Qingming; Vice Chairmen of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang Zheng Dongguo, Jia Yibin, Sun Yueqi, and Peng Qingyuan; members and advisors of the Standing Committee of Chinese Kuomintang Revolutionary Committee Central Committee Wang Feng, Ning Guangkun, Xu Baokui, Su Congzhou, Wu Xiufeng, Shen Qiuwo, Zhang Keming, Chen Jianchen, Chen Mingde, Shao Hengqiu, Zhou Ying, Zhao Zili, Tan Yizhi, Qin Yizhi, and Jiao Shizhai; members, alternate members, and advisors of the Chinese Kuomintang Revolutionary Committee Central Committee Wang Qi, Wang Yanting, Wang Jingru, Fang Xianxu, Feng Fufa, Liu Yaozhang, Li Shijun, Zhang Fengzhou, Zhang Lianyun, Chen Erdong, Luo Xiou, Zong Zhifa, Luo Jiezi, Guo Yiqing, Liang Airan, Chen Xiaocen, Chen Jiuying, Yan Mingyi, Pan Su, Wei Dawei, Sun Huishu, Shen Xuebin, Zhang Ziyi, Jiang Yenong, Xia Congben, Guo Kequan, Jing Jianguo, Wan Meizi, Yin Wentang, Yin Bingyan, Li Taihua, Zhang Lijun, Zhang Dezun, Chen Shuhua, Zhou Huaimin, and Zhu Xiulin; responsible persons of all democratic parties and the All-China Federation of Industry and Commerce Xu Dixian, Pu Jiexiu, Lu Rongshu, Jin Shanbao, Hao Yichun, Zhao Weizhi, and Fan Taozhai; and people from various circles in Beijing Chen Mingshao, Liu Dansheng, Liao Mosha, Luo Qing, Deng Jixing, Xia Xiang, Guo Buyue, Ding Gongnan, Guan Shixiong, Shen Yifan, Zhu Yajie, Ye Duzhuang, Zhao Jing, Mo Yichang, Ni Jiaxi, Chang Mengqu, Bo Yue, Mao Zhifen, Mei Xiangming, Peng Qingxia, Mei Qian, Chen Xinyu, Yan Jingqing, Zhu Zhanyu, Li Jiansheng, Liu Buqing, Shan Ke, Wang Zhuqin, Situ Qing, Zhen Zhengren, Su Xiuyu, Hu Zhibin, Wang Bingxu, Chen Bingji, Chen Dingmao, Tang Shaoyuan, Wang Minsheng, Gao Shouxin, Yu Xizhong, Huang Zhi, Qian Chuntao, Zhang Kaiji, Wang Kaimo, Fu Tieshan, Shen Chengzhang, Zha Shouyu, Xiu Ming, Zhao Qifan, Zhang Sijun, Yue Lun, Wang Ruiqi, Lai Zhongsheng, Wu Yixiu, Li Mei, Cai Qikan, Chen Liji, Lin Mingmei, Ye Jidong, Huang Xing, Jiang Nong, Liao Qiuzhong, Li Bokang, Xu Shun, and Ren Ningfen. Well-known personage Yuan Xiaoyuan also attended the commemoration meeting.

RELAXING POLICY, IMPROVING SUPPLY URGED

HK190255 Beijing RENMIN RIBAO in Chinese 15 Mar 85 p 2

[Commentator's article: "Relax the Policy, Enliven the Economy, and Improve Supply -- on the Production and Supply of Nonstaple Foodstuff in Big and Medium Cities"]

[Text] Over the past few years, the suburbs of big and medium cities have given play to their superiority of being near the cities and vigorously developed the production of agricultural and sideline products. As a result, not only have the peasants become rich, but the city residents have more vegetables to eat. With the increase of the consumption level of the city residents, there has been a greater demand for agricultural and sideline products. At present, the supply of certain agricultural and sideline products, such as meat, poultry, eggs, milk, fish, vegetables, and fruit falls short of demand in some areas. This shows that new contradictions have arisen between supply and demand in the new conditions.

At present, the crux of the contradictions between supply and demand of nonstaple foodstuffs in big and medium cities is the rigid management in production and in purchase and sale. Leaders of some localities and departments are still used to doing things according to the old system of production and sale and other old conventions, and are accustomed to the method of state monopoly. As a result, the more they monopolize, the more they lose; and the more they lose, the more they wish to monopolize, thus forming a "vicious circle." Now that the CPC Central Committee has worked out the economic policy of carrying out the reform, opening up to the outside world, and enlivening the economy, we must change our thinking of "monopoly" to giving management guidance. Guangzhou, Wuhan, Chengdu, Zhanjiang, and some other big and medium cities have one after another relaxed their policies toward agricultural and sideline products. As a result, the economy has been enlivened, more products have been supplied, and fewer or no losses have been incurred. The smaller the losses, the more they have relaxed their policies, thus beginning a "favorable cycle." This is the law of the development of the market economy.

In order to improve the supply of meat, poultry, eggs, milk, and other nonstaple foodstuffs in big and medium cities, stress should be laid on developing the suburban economy. If the suburbs do a good job in readjusting their agricultural and animal-breeding structure in accordance with the laws of nature, the economic laws, and the needs of the market, and vigorously develop animal husbandry, the aquatic products industry, and the production of vegetables and fruit, they will surely achieve a greater increase and improvement of the agricultural and sideline products in terms of quantity, quality, and variety. In the future, except for one or two special products, the departments in charge must not formulate mandatory plans for the lower levels again, but must continue to discharge their tasks of providing macroeconomic regulation and offering guidance in various fields, and do a good job in establishing various service departments, such as breeding good strains, popularizing technology, processing fodder, preventing and curing diseases, and processing, storing and transporting some products. It is necessary to work out long-term plans for and actively support the production and processing of agricultural and sideline products while, at the same time, preventing their development in a blind way and the emergence of new imbalance.

The production, circulation, and consumption of agricultural and sideline products are closely related to each other, and circulation is the key link between production and sale. Only when an overall arrangement is made to ensure their harmonious development and a multichannel and multiform circulation system as well as an effective price control system and method are established can we protect the interests of both producers and consumers.



Shenyang has carried out a bold reform of the system of production and sale and established a unified management organization based on several departments concerned so that production, circulation, and consumption can be considered as a whole. This is a good method. There is much in their experience that can be applied.

#### LABOR COOPERATION WITH FOREIGN COUNTRIES VIEWED

HK180857 Beijing RENMIN RIBAO in Chinese 1 Mar 85 pp 44-45

[Article by Liang Song: "How Should We Approach Labor Cooperation With Foreign Countries"]

[Text] Labor cooperation with foreign countries is one form of economic and technical cooperation between China and other countries and regions. Labor cooperation includes sending personnel abroad to contract foreign projects; sending personnel abroad to provide technology and labor for foreign proprietors or contractors; and sending production and managerial personnel abroad to work in joint-ventures between China and foreign entrepreneurs. Failing to understand the situation, some comrades hold that sending labor personnel abroad to undertake construction is selling labor in a disguised form; and they even place it on a par with the "Overseas Chinese laborers" of old China. This does not conform to the facts. How should we understand this issue correctly?

Long ago, Marx and Engels pointed out in the "Communist Manifesto" that with the formation of the capitalist world market, "in place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, and the universal interdependence of nations" ("Selected Works of Marx and Engels" Vol I p 255) under the effects of the rapid development of production and science and technology, global economic and technical ties and the relationships regarding the cooperative division of labor are closer than ever before; at the same time, it is impossible for any country to possess all the natural resources, capital, and technologies needed in developing its own economy. This requires us to make full use of natural resources both at home and abroad, and to open up and utilize the home market and the world market as well, making good our shortages with the abundance of the world, and benefiting the world with our own advantages in order to push forward China's economic development.

A large population has been one of China's major problems; however, abundant labor force is one of our advantages. But lack of capital and raw materials has restricted us from fully bringing this advantage into play. The chief way to solve this problem is to open wide the channels for employment and bring into play the advantage of abundant labor by developing diversified management in the rural areas and tertiary industry in the urban areas; apart from this, we are to face the world and to undertake active labor cooperation with foreign countries. Bringing China's advantage of abundant labor resources fully into play and undertaking labor cooperative economic construction, and enhancing worldwide mutual cooperation and understanding. First, it will increase the state's foreign exchange revenues. According to statistics, a turnover of \$550 million was realized in 1984 through contracting foreign projects and providing labor services abroad, up 28.8 percent from 1983. Second, it is helpful in increasing China's exports of materials and equipment, which prevents or reduces the outflow of foreign exchange. Third, it is favorable to improving the quality of the rank and file of China's workers and staff. While providing services abroad, a large number of workers and staff can directly learn knowledge of advanced foreign technology and management. Many of the workers and staff who returned after undertaking labor cooperation abroad have become the technical backbone of their own enterprises.

Fourth, some Chinese corporations have provided good-quality work in contracting foreign projects, and they have been awarded with the Italian "(?Moqiuli) [1075 8002 0448] Prize," the British "Grand Gold Prize" conferred by the International Gardening Office of Liverpool, and the Spanish "International Commerce Prize," which have raised China's reputation in the world market. And fifth, it is helpful to promote economic cooperation and friendship between China and other countries, in particular, developing Third World countries. Chinese personnel undertaking labor cooperation abroad have helped these countries in their economic construction with their hard work and technical knowledge and has also played a role in supporting the national independence of the developing countries and their national economic construction.

From the facts mentioned above, we can see that the personnel sent to undertake labor cooperation abroad are essentially different from the "Overseas Chinese laborers" of old China. First, the "Overseas Chinese laborers" of old China were forced to leave their hometown under the semi-colonial and semi-feudal system. They crossed the ocean to sell their labor, and often they were ordered about like slaves. However, the personnel involved in labor cooperation are sent abroad by the socialist state in a planned and organized manner. No matter what nature or classification of work they are engaged in abroad, they are all workers and staff of our socialist enterprises and units; like all the workers and staff at home, they are masters of the country; and the only difference is in the place and environment of work. Second, when "Overseas Chinese laborers" were abroad, all they could earn were conditions of their own subsistence. Though working abroad, the personnel involved in labor cooperation sent by the socialist state, like the rest of workers and staff at home, are strengthening China's economic strength and serving the acceleration of modernization with their own wisdom and hard work.

Third, the history written in the blood and tears of "Overseas Chinese laborers" has proved that their conditions were very much the same as those of negro slaves, and they had fully experienced the exploitation and fraud of foreign capital, leading an inhuman life. But now, the personnel involved in labor cooperation sent abroad by the state are all PRC citizens, and are well protected by China no matter what country they are working in; and they enjoy all the rights stipulated in the contracts signed by the two parties. They are honored politically, and their living standards are guaranteed. Not only that, but while earning foreign exchange for the state, they acquire a higher income than personnel of the same category at home, and get rich first based on the principle of more work, more pay. And fourth, "Overseas Chinese laborers" were just one of the examples to prove the great disasters of the Chinese nation in the past. But now the personnel involved in labor cooperation sent abroad by China have won the admiration and praise of the governments, contractors, and local people of many countries, with their high efficiency in work, good quality construction, and enthusiastic service, and they have demonstrated the excellent talents of the Chinese nation in their struggle for human progress.

#### COMMENTATOR DISCUSSES PLACEMENT OF EX-SERVICEMEN

HK180925 Beijing RENMIN RIBAO in Chinese 14 Mar 85 p 4

[Commentator's article: "Do a Good Job in Placing Retired Army Cadres and Ex-Servicemen"]

[Text] It is a new task and an important decision made by the party and the state to place a large number of retired Army cadres, the cadres below regimental level, who joined the Army during the war of liberation, and the retired cadres below the level of battalion, who joined the Army during the anti-Japanese war.

To do this well will certainly benefit the modernization of the Army, the unity of the Army and the government, the unity of the Army and the people, and the construction of the socialist modernization. It is a glorious tradition of our party, government, and people to support the Army and give preferential treatment to families of revolutionary army men and martyrs. In the new historical situation, doing this work well is one of the important contents of developing this tradition.

The retired Army cadres and ex-servicemen are a valuable part of our country's wealth. They have made important contributions to our country in the long-term revolutionary war, the socialist construction, and the construction of the Army. Now they are old and weak, or have either been injured or disabled in war or work, and have to leave the Army and return to the local communities, so to place them well is an unshirkable duty of the people's governments at various levels and a common political task of the whole party, the whole Army, and the people of the whole country. The party committees and people's governments at various levels must pay great attention to this work and do this work well. All the relevant departments should cooperate with each other to warmly treat these retired cadres and do the work well, and also politically show concern for them and take care of them in their daily life according to the policies of the party and the government. The relevant departments should provide the retired cadres with the opportunity to take part in political studies, read documents, listen to reports, attend some important meetings, take part in important political activities, and so on and so forth according to relevant regulations. The relevant departments should also make proper arrangements for their treatment, accommodations, medical care, the employment of their family members, the education of their children, and the transfer of their residence and grain rations and so on and so forth according to the relevant regulations. We should also try our best to quickly satisfy their reasonable demands for better living conditions if the situation permits. We should patiently explain to them if we cannot solve their problems or cannot solve their problems for the time being. In order to strengthen the management of and services for the retired Army cadres and ex-servicemen, the civil administration departments in all parts of the country should set up relevant work organs, select and send those comrades who have good ideology and good style, are young, energetic, educated, and willing to serve the veteran cadres to do this work.

Although the retired Army cadres and ex-servicemen have left their original posts and Army units, they have not "retired" ideologically, politically, and organizationally, they are still communists and still shoulder political responsibility to serve the people and work for the people. We should make proper arrangements for those comrades who are still in good health, can do some work or have certain professional skills so as to bring into full play their respective roles and enable them to continue to contribute to the construction of the "two civilizations."

The placement of the retired army men is regular and important work. In recent years, along with the development of our country's political and economic situations, some new situations and new problems have emerged, and the various areas and various departments have created a lot of new reform experiences in their work to place the retired army men, such as discovering and appointing the retired army men "who are competent for both military and civilian services," establishing "introduction centers" for retired army men competent in both military and civilian services, building welfare factories for the retired army men, properly placing the sick, injured, and disabled retired army men, implementing different treatments of the retired army men in the cities and towns, encouraging the advanced and spurring on the backward, and so on and so forth. In future, we should further popularize these experiences and methods, conscientiously carry out the new "military service law" so as to further carry out the reform of the placement work of the retired army men in the urban and rural areas and open up a new project for the placement work.



COMMENTATOR FOCUSES ON TECHNICAL TRANSFORMATION

HK190321 Beijing RENMIN RIBAO in Chinese 15 Mar 85 p 1

[Commentator's article: "There Must Be Focal Points and Overall Plans for Technical Transformation of Enterprises"]

[Text] The work of carrying out technical transformation in existing enterprises requires overall plans. All localities and enterprises should map out overall plans for some technical transformation projects and for popularizing and absorbing from abroad specific technology in a given period of time so as to carry out such transformation and renovation step by step in a planned way.

At present some localities and enterprises carry out some technical transformation and expansion projects without overall plans and prior study, and so they often do the work blindly. Consequently, a large sum of money is spent, but economic results are extremely small. To promote effective technical transformation, we should first and foremost aim at suitable targets and highlight the focal points. Our country now has hundreds of thousands of industrial and transport enterprises. As far as their technical equipment and technological makeup are concerned, the majority of these enterprises need to be technically transformed. However, need and possibility are two entirely different things. When our country is short of financial and material resources, the work of technical transformation should be done in order of importance and urgency, step by step and in a planned way. It is impossible and also harmful for us to do the work in an all-round way and all at once.

Technical transformation is aimed at improving economic results. In mapping out plans for technical transformation, we should put the stress on practicing economy in the consumption of energy and raw materials and improving the properties and quality of products. The machine-building and electronics trades, which are charged with the important task of providing modern technical equipment to all sectors of the national economy, should go ahead of the rest. Meanwhile, we should select a number of fairly good enterprises in transport and energy, raw materials, light, and textile industries as key points for technical transformation to solve key problems in production, raise technological level and achieve better economic results as quickly as possible. When conditions permit, we can also select a small number of key enterprises to carry out technical transformation in an all-round way so as to promote technical progress in each trade.

In absorbing and spreading technology, we should not simply seek the most advanced technology and place stress on import of complete sets of equipment. All the sectors of our country have some major successes in science and technology which are practical and useful and are comparatively ready for spreading in technical transformation. As for modern foreign technology, we should keep a close watch on developments in the new world technology revolution, and still more we should energetically import useful and efficient software technology and major equipment in line with our specific conditions. In short, we should guard against and check two erroneous tendencies in the work of technical transformation: 1) reproducing "antiques" in the name of technical transformation; and 2) blindly seeking the most advanced technology without consideration for cost and economic results.

MINISTRY WARNS AGAINST RELAXING GRAIN PRODUCTION

OW141147 Beijing XINHUA in English 0638 GMT 14 Mar 85

[Text] Beijing, March 14 (XINHUA) — The Ministry of Agriculture, Animal Husbandry and Fisheries warned today against the tendency of slackening grain production.

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The ministry urged all localities to keep firm to the policy of not slackening grain production while vigorously diversifying the rural economy. The ministry drew attention to the fact that some places had to cut too much the hectareage for grain crops.

It is absolutely necessary to restructure the rural economy, a ministry spokesman said, but it must be realistic, taking into consideration all possible factors. The readjustment of grain hectareage and grain production should be done according to the principle of ensuring synchronized increases in grain output, grain conversion, and people's consumption and should proceed in a planned and step-by-step manner, with stress on developing high-quality and new varieties.

Grain output has increased rapidly in the past few years, the spokesman said. There is now a seeming glut of grain, but taking the country as a whole, it is far from being enough to meet the needs. He noted that without sufficient grain, there would be no breakthroughs in the development of animal husbandry, agriculture and food industry. In no circumstances should China relax its efforts in grain production, especially the major grain producing provinces, he added.

#### ARTICLES ANALYZE PROBLEMS IN GRAIN PRODUCTION

XINHUA Commentator

OW190447 Beijing XINHUA Domestic Service in Chinese 0820 GMT 16 Mar 85

[Article by XINHUA commentator: "Attention to Grain Production Should Not Be Relaxed"--XINHUA headline]

[Text] Beijing, 16 Mar (XINHUA) -- Now is the busy season for spring farming. However, it has been found by the departments concerned that, with the adjustment in agricultural structure, signs of relaxing attention to grain production have appeared in some localities. Examples are failure to promptly put into practice this year's grain-production plan, arbitrary and excessive reduction in the acreage of land sown to grain crops, and decreases in manpower and the use of fertilizer in the grain fields. In a few localities, there are even such instances as leaving the land fallow and using grain fields for other purposes. All these problems merit our attention.

In recent years, our country has continued to increase grain production to a remarkable extent. As a result, the problem of grain shortages, which have troubled our country for so many years, has been resolved, by and large. In some localities, it is even "difficult to sell grain." With all this, we should by no means be unrealistically optimistic about grain production in our country, but should soberly note the following: First, the national output of grain averages 800 jin per capita; strictly speaking, this is still a low figure. Second, there are still some poor areas in our country where the problem of people's subsistence has yet to be resolved. Third, as for the quality of grain, there is more coarse and poor-quality than fine and good-quality grain. This is far from meeting the needs of our urban and rural people. Fourth, only a small portion of the grain produced is converted into meat, poultry, eggs, and milk. A greater portion should be converted into such animal products, and the work in this respect should be speeded up, but our grain output will then be insufficient. Considering the above, plus the fact that China is a large country with a population of 1 billion, and that the people's food supply has all along been a big problem, we should not be permitted to relax our attention to grain production in any way.

From the viewpoint of adjusting the production structure, it is also imperative to grasp grain production very firmly. Experience over the years has shown the fundamental task in adjusting production structure is making good arrangements for grain production. If grain production declines, it will be very hard to increase the production of meat, poultry, eggs, milk, and fish, and to develop the food processing industry. It will also be very difficult to implement the plans to stop farming in some areas, and to redesignate the land for use in developing forestry, animal husbandry, and fish breeding. For this reason, whether we can ensure a steady increase in our grain production is a key factor in determining our success or failure in adjusting the production structure.

In adjusting this structure, we hope that all localities will adhere to the principles of seeking truth from facts, trying to accomplish only what is possible, and taking overall interests into consideration. In those areas where the per-capita grain output is relatively high, the extent of adjustment may be greater. But, in making the adjustment, it is necessary to look at the whole picture and consider the necessity for grain-surplus areas to support grain-shortage areas. What is more, emphasis should be placed on adjusting the proportion of different species and strains of grain crops, with a view to changing from coarse and poor quality, to fine and good quality grain, and developing famous, special, good, and new strains to improve grain quality. In those areas where the average per-capita grain output is low, especially where the problem of people's subsistence has just been resolved, it is all the more necessary to act cautiously, and formulate a reliable plan for adjusting the production structure. To sum up, we should not act blindly, because doing so will cause inevitable losses.

"The whole year's work depends on a good start in spring," as the saying goes. Now the spring equinox is drawing near, and the work of spring farming will be in full swing, starting from the south, and spreading to the north. All localities are requested to firmly grasp the opportune time to implement their grain-procurement contracts and crop-growing plans, make a success of spring farming, and ensure the smooth progress in adjusting their production structure.

JINGJI RIBAO Commentator

HK190350 Beijing JINGJI RIBAO in Chinese 16 Mar 85 p 1

[Commentator's article: "Do Not Forget Grain Production"]

[Text] In the course of arranging agricultural production for this year, it is necessary to pay particular attention to overcoming the trend of overlooking grain production. The whole year's work depends on a good start in the spring. Spring plowing is expanding from the south to the north, and the situation is gratifying. But there are problems to which we must attend. These problems have an important bearing on the success or failure of the urban production structural readjustment. We must not treat them lightly.

At present, we have made it possible to readjust the urban production structure because grain, which is the most important material basis, has increased. But we must understand that China's grain surplus is still at a low level. From a long-term viewpoint, the present per capita grain production is still far from being able to meet the needs for making breakthroughs in developing animal husbandry and aquatic breeding. We must not relax our attention to grain production and must not overestimate it. Some localities and some grain producing areas in particular, have built fish ponds in their fields or have sown their grain producing fields with other crops. If the rate of readjustment is too fast, it is possible that grain production in some localities will fall through. In addition, some localities which do not have enough grain have also blindly engaged in the production of industrial crops. This trend of relaxing grain production merits attention.



In the course of spring plowing, various localities should confirm their grain purchase contracts for this year as soon as possible. Through these contracts, they should strengthen guidance for grain production and appropriately carry out the readjustment of the production structure. We must adhere to the principle of seeking truth from facts and doing things according to one's ability. We must advance with steady steps, soberly and practically estimate the situation in grain production, and carefully draw up our policy. Areas with a high level of per capita grain production and which can make big strides in readjusting their production structure should have an overall perception of the situation, take into account grain surpluses and deficiencies in different areas, and consider how to regulate crop varieties between areas. On the basis of ensuring a steady increase in grain production, they should do a good job in readjusting their production structure in order to reap an overall harvest in agriculture this year.

#### GONGREN RIBAO Report

HK180905 Beijing GONGREN RIBAO in Chinese 8 Mar 85 p 3

["Investigation report" by Liu Xifeng: "Some Problems Which Must Not Be Neglected in Grain Production"]

[Text] Recently I made a survey in the three counties of Gucheng, Jingxian and Fucheng in Hebei Province, finding some problems concerning current grain production. These problems can mainly be summed up in the following three points: 1) Investment is diminishing. There is a trend toward reducing funds invested in grain production. 2) The enthusiasm of a considerable number of peasants for grain production is subsiding. 3) The amount of machinery used in agricultural production is being reduced. In a few places peasants have even sold their tractors. These are isolated cases, but they illustrate a certain trend above all.

Through investigation, I believe that there are four major reasons which dampen the enthusiasm of the peasants for grain production:

1. Some comrades are not clear-headed in analyzing the developments in agricultural production. Many comrades have an optimistic view that since the implementation of the all-round contract system in agricultural production, the enthusiasm of the peasants for developing grain production has risen and we should do nothing more than lend them adequate logistic support. Therefore, efforts to look into and solve problems concerning agricultural production have been slackened. We should now pay special attention to the fact that since the problem of sufficient food and clothing for the peasants has been solved, their enthusiasm for grain production, which was boosted by the "all-round contract system" has begun waning. So what is the new motivation for developing grain production? This is a problem which is worth looking into. If the peasants have warm backs and full bellies, and particularly when their grain and cotton find no markets, their enthusiasm will certainly be dimmed. However, it is a regrettable fact that many comrades have not yet realized this -- they take the all-round contract system as an eternal motive force which can encourage a progressive development of agricultural production, and they have not done enough to probe into new problems emerging in grain production. This is the weighty reason that holds up grain production.
2. The price scissors between industrial and agricultural products is becoming wider. A survey in the three counties of Gucheng, Jingxian and Fucheng shows that the prices of almost all the means of production needed by the peasants are on the rise. According to incomplete statistics, the peasants' investment in every mu of land cultivation increased by about 15.5 yuan, but grain prices dropped swiftly (market prices).

3. The peasants' grain cannot be quickly turned into a commodity. The quantity of grain in stock has been increasing year by year and its prices have been devalued year after year. Like all products, if grain cannot be turned into a commodity, its value melts away and the peasants cannot exchange it for what they need.

4. Grain prices are too low. This dampens the initiative of the peasants. Grain prices on the market have been cut down again and again. Wheat prices dropped by 28 fen and corn prices by 24 fen. This can hardly realize any return on an investment in land cultivation, or can only achieve a very small return. In terms of output increase, this situation has a favorable aspect. But the continuous drop in grain prices and sustained losses in land cultivation shake the confidence of the peasants in getting rich through grain production and gravely dampen the enthusiasm of the peasants for developing grain production.

In view of the above-mentioned situation, I think that the following measures should be taken to solve some problems concerning the peasants' slack pace in developing grain production. 1) We should be clear-headed and make an objective analysis of the present situation in grain production. At present each person's average share of grain in China is only 700 jin and the per-capita level is relatively low. "With no agriculture, there is no stability," so the grain issue is related to a stable life for 1 billion people. In order to run the country well and give neighboring countries peace and security, we should have sufficient grain. This is a matter that we should never neglect. For this reason, we should seriously study the policies related to the development of grain production and probe into "multistage rockets" which can progressively push ahead with the development of grain production year in, year out. 2) In expanding the production of crops, we must make their geographical distribution more rational. In line with local conditions, all localities should actively readjust geographical distribution of cash crops in a planned way, develop commodity production and strive to increase income while they steadily increase grain output year after year. 3) We should vigorously promote the food industry with grain as its raw material as well as the food processing industry, which can increase the value of grain and overcome overstocking of grain, and also can help improve the diet of the peasants and in turn bring forth the enthusiasm of the peasants for the development of grain production. 4) We should energetically develop the fodder industry so as to accelerate the development of animal husbandry. This can not only change the diet of the peasants and raise their living standards but can also increase soil fertility by using large quantities of inorganic fertilizer and reduce grain cost so as to arouse the enthusiasm of the peasants for developing grain production.

#### ECONOMIC STATISTICS REVEAL INCREASES, PROGRESS

##### Industrial Output Up

OW180737 Beijing XINHUA in English 0648 GMT 18 Mar 85

[Text] Beijing, March 18 (XINHUA) -- China's industrial output has been rising, and its energy consumption dropping, for the past three consecutive years, according to official economic statistics for 1984 published here. Industrial output value increased by nine percent a year from 1981 through 1984. But energy equivalent to more than 80 million tons of standard coal was saved during this period. Last year saw China's industrial output value up 14 percent, while the energy consumption increased only six percent. Coal consumption in the country's steel industry was reduced from 2.04 tons of standard coal per ton of steel to 1.82 tons.

Before 1979, about one-third of China's industrial enterprises lost money each year. The annual losses ran as high as four billion yuan.

Following the economic reforms of the past several years, the number of unprofitable factories was reduced to 11.6 percent in 1984. Their total deficit also dropped to 2.1 billion yuan.

Floating capital turnover time was shortened from 114 days in 1981 to 102 days last year, helping save state funds and accelerate economic development. Per capita output in state-run industries reached 14,109 yuan last year, up 2,029 yuan over 1980 and meeting targets set for China's Sixth Five-Year Plan (1981-1985).

#### Agricultural Production Rises

OW151157 Beijing XINHUA Domestic Service in Chinese 1159 GMT 12 Mar 85

[Excerpts] Beijing, 12 Mar (XINHUA) -- In 1984, on the basis of 5 consecutive years of bumper harvests, our country scored another bumper harvest in agricultural production. As a comprehensive reflection of agricultural production achievements for the whole year, the country's total agricultural output value reached 361.2 billion yuan, showing an increase of 14.5 percent over 1983. Included in the total output value was the village (brigade)-run industrial output value of 55 billion yuan, an increase of 45.5 percent over 1983.

This was the gratifying information released by the State Statistical Bureau after gathering the preliminary statistical figures received from the various localities.

If counted according to the new statistical caliber, namely, after deduction of the village (brigade)-run industrial output value, the country's total agricultural output value for last year would be 306.2 billion yuan, or an increase of 9.9 percent over the year before. After analyzing the voluminous statistical data, the Statistical Bureau's experts pointed out that a prominent feature in the development of our country's agricultural production over the past year was that while agriculture, forestry, animal husbandry, sideline production, and fishery were comprehensively rejuvenated during readjustment, village (brigade)-run industries developed rapidly.

In 1984, agricultural crop output value reached 214.1 billion yuan, showing an increase of 8.9 percent over the previous year; forestry output value was 15.1 billion yuan, an increase of 11.3 percent. If the village (brigade)-run industries were included, the sideline production output value would be 70 billion yuan, an increase of 36.8 percent; and the fishery output value would be 77 billion yuan, an increase of 13.2 percent. The forestry, animal husbandry, sideline production, and fishery output value was 12.4 percent greater than the year before. Whether it was the respective speed of increases in forestry, animal husbandry, sideline production, and fishery, or the combined speed of them all, they all exceeded the speed of increase of the agricultural crop output value by a large margin.

Last year's village (brigade)-run industries grew on a large scale, with output value reaching 55 billion yuan, showing an increase of 45.5 percent over 1983. Among these industries, those in nine provinces and cities including Zhejiang, Hubei, and Hebei, scored relatively larger increases, totaling 11.7 billion yuan.

Last year, the percentage of agricultural crop output value in the total agricultural output value dropped from 76.7 percent in 1978 to 70.7 percent; that of forestry output value rose from 3.5 percent to 5 percent; that of animal husbandry rose from 15 percent to 17.1 percent; that of sideline production rose from 3.3 percent to 5.2 percent; and that of fishery rose from 1.6 percent to 2 percent. The combined output value of forestry, animal husbandry, sideline production, and fishery rose from 23.3 percent in 1978 to 29.3 percent.



At the same time, the internal structure of agricultural crops, which accounted for 70.7 percent of the total agricultural output value changed. In the past few years, as industrial crops and other agricultural crops have developed more rapidly than grain crops, the percentage of their output values within the total of agricultural crop value has risen from 23.3 percent in 1978 to 31.8 percent.

The statisticians emphatically pointed out: Over the past 6 years, our country has scored marked results in the readjustment of the agricultural production structure; however, the irrational condition of the agricultural production structure left over from the past has not yet been completely transformed. Animal husbandry and fishery have always been the "short leg" of agriculture; the output of meat, poultry, eggs, milk, and fish have not satisfied the needs of the people; forestry has been a weak link, with a very low forest coverage rate; the percentages of the output values of forestry, animal husbandry, sideline production, and fishery have remained low; and even the percentages among agricultural crops themselves have not been rational.

#### Progress in Animal Husbandry

OW170050 Beijing XINHUA Domestic Service in Chinese 1132 GMT 14 Mar 85

[Text] Beijing, 14 Mar (XINHUA) -- The rising living standards of the people, the increasing grain output each year, and the emergence of large numbers of specialized households in stockbreeding have promoted the development of animal husbandry. According to initial statistics of the State Statistical Bureau, the output of meat, eggs, milk, and other major animal by-products of China in 1984 surpassed previous highs, thus signifying a new stage of steady development for animal husbandry in China.

China's animal husbandry in 1984 had the following characteristics:

-- The output of pork, beef, and mutton increased quite rapidly. The quotas set in the Sixth 5-Year Plan were overfulfilled 1 year ahead of schedule. In 1984 the total output of pork, beef, and mutton in China was 30.5 billion jin, exceeding the target of 29.2 billion jin set in the Sixth 5-Year Plan. Compared with 1981, that was a 21 percent increase, and the average annual rate of increase was 6.5 percent. Of the total meat output, the output of beef increased the fastest, exceeding more than 740 million jin in 1984, averaging an annual growth rate of 14 percent.

-- Economic results were much better. As peasants and herdsmen began to pay attention to business accounting and scientific methods of stockbreeding, the level of stockbreeding operations and economic results were raised markedly. In 1984 the percentage of hogs slaughtered rose to 73.3 percent from 63.8 percent of 1981. The percentages of cattle and goats slaughtered rose to 4.7 percent and 27.8 percent respectively from 4.2 percent and 23.9 percent. In the past 4 years, the average weight of each hog rose from 122 jin to 131 jin, and that of beef cattle rose from 165 jin to 203 jin.

-- Milk output continued to rise, thereby improving market supply. The dairy industry made rapid headway, and milk output rose considerably. In 1984 China's milk output was 4.43 billion jin, topping 1983 and 1981 by 19.9 percent and 71.7 percent. The average annual rate of increase was 19.7 percent. Because of increased milk output, the shortage of dairy products experienced by large and medium-sized cities in the past few years has been eased.



-- Output of eggs increased rapidly, and large and medium-sized cities achieved greater self-sufficiency in eggs. By the end of 1984, the state procured 1.68 billion jin of eggs, topping 1983 by 18 million jin. At present the egg output situation in China is fine, market supply has improved, and eggs are available on the farm products market all year round. Beijing and other large and medium-sized cities have constantly increased self-sufficiency in eggs.

-- More hogs were slaughtered, the peasants' meat consumption rose constantly, and the difference in the meat consumption between urban and rural population narrowed. Last year 218.7 million hogs were slaughtered in China, topping 1983 by more than 15 million head, a 5.8 percent increase. The amount of meat consumed by peasants and marketed in the rural trade fairs increased. According to information furnished by tax departments, the number of hogs on which slaughtering taxes were paid was 1.3 percent more than in 1983. With the rising living standards of the peasants and the overall increase in meat consumption, the difference in meat consumption between urban and rural population was narrowing. According to a survey on Hancheng in Shaanxi Province, the proportion of meat consumed by average urban residents and peasants was 1 to 0.5 in the 1960's, 1 to 0.64 in 1978, and 1 to 1.01 in 1983.

-- Development of hog-raising was not balanced. By the end of 1984, there were more than 306 million hogs in stock, topping 1983 by more than 7.5 million. Larger increases were reported in Sichuan and Hunan Province. Due to shortcomings in stockbreeding management, as well as in the policy on animal feed and purchase and marketing, the number of animals in stock in 10 provinces, municipalities, and autonomous regions dropped. In other provinces and municipalities, grain output increased each year, but the number of hogs kept decreasing. At present these areas are experiencing shortages in meat sold at state list prices. It is learned that the provinces and municipalities concerned are taking effective methods to actively change the downward trend in the number of hogs.

#### NUMBER OF INDIVIDUAL BUSINESSES REGISTERED GROWTH

OW151222 Beijing XINHUA in English 1150 GMT 15 Mar 85

[Text] Beijing, March 14 (XINHUA) -- China had 9.3 million individual businesses by the end of 1984, 57.4 percent more than the previous year, according to the State Administration of Industry and Commerce. These businesses absorbed more than 12 million workers last year, 74.3 percent more than the previous year. The total turnovers handled by these people rocketed 116.4 percent to 45.7 billion yuan, retail sales of individual businesses amounted to 28.8 billion yuan, accounting for 8.6 percent of the national total. While nearly 55 percent of them were engaged in commercial activities, some people took up handicrafts, industry, the catering trade, repairs, transport and others.

A breakdown of the figures shows that a sharper increase was registered in the number of rural individual businesses and their business turnover than in those in the urban areas. The flexible policies for dealing with farm produce which became abundant following successive good harvests, and the surplus rural labor because of higher productivity have enabled more rural people to take up commerce and industry as well as service trades, officials say.

The number of people engaged in the transportation of goods including farm produce and manufactured goods multiplied. Vehicles used included heavy trucks, trains and even airplanes, compared with only bicycles and horse-drawn carts a few years back.

The rapid increase in the transportation means of goods and the quantity of commodities prompted the development of wholesale markets. According to incomplete statistics of the State Administration, there were 1,000 wholesale markets for farm produce last year, four times more than in 1983, and the business turnover of certain items even exceeded that of local state businesses, becoming an important source of supply for urban residents.

Special wholesale markets for industrial goods sprang up in many places last year, including 100 in the rural areas and 70 in the cities, dealing in goods turned out by rural township industries and small industries organized by street committees in urban areas.

An even greater development of individual businesses is expected this year, according to State Administration officials, based on the fact that the government has further relaxed controls on the marketing of farm produce including cotton, grain, pork, vegetables, fruits and a number of other items, and on a dearth of service trades in the urban areas.

#### LIAOWANG PRESENTS SHANGHAI AS ECONOMIC CENTER

HK181016 Beijing ZHONGGUO XINWEN SHE in Chinese 0806 GMT 17 Mar 85

[Report: "Shanghai Will Be Built Into the Largest Economic Center of the Country" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 17 Mar (ZHONGGUO XINWEN SHE) -- Bringing into full play Shanghai's role in opening to the outside world and as a multifunctional center and building Shanghai into the largest economic center of the country are the principal targets of reforming and invigorating Shanghai. This has been decided through repeated discussions between the State Council and the authorities and masses of Shanghai.

A signed article in LIAOWANG weekly, issue No 11 which will be published tomorrow, gives a briefing on Shanghai's grand development program.

The article states: While inspecting Shanghai in August 1983, Hu Yaobang pointed out that Shanghai should play a "vanguard" role in the country's four modernizations drive. Last August Premier Zhao Ziyang and other central leaders listened to a briefing given in Beidaihe by a responsible person of the Shanghai Municipal CPC Committee and government on Shanghai's economic work. They set forth important guiding principles for reforming and invigorating Shanghai. To help Shanghai work out an economic development program, the State Council sent a survey team to make an extensive and profound study of Shanghai's economic and social development. In the first half of last December, Premier Zhao Ziyang came to Shanghai again for an inspection. He gave instructions that Shanghai should make use of the favorable situation in reforms and opening to the outside world to surmount difficulties, to put its economy into the orbit of favorable cycles, or invigorate Shanghai, and to make greater contributions to the country.

The article points out: Shanghai occupies a decisive position in China's economic construction. No other city can substitute for it. Shanghai should not be satisfied with just supplying industrial products and financial income for the state. Apart from displaying its role as an old economic base, Shanghai should become an important door for utilizing foreign capital and introducing advanced foreign technology. It should introduce advanced technology and managerial experience to the hinterland and become the country's largest commodity distribution center and most important foreign trade port.

It should become an important base which can train various types of scientific, technological, and managerial personnel and provide various types of information for the country. It should become an important money market and an economic, technological, and information center.

The article says: To resume and develop Shanghai's role as the country's largest economic center, Shanghai must energetically engage in the "tertiary industry" so as to serve the country. For this reason, Shanghai should energetically develop its commerce, banking, communications, telecommunications, science, technology, education, culture, press, public facilities, realty business, insurance, trust, tourism, everyday services, and industries such as accounting, attorneys, information, and consultants.

With regard to industrial reform, the article says that Shanghai has drawn up a plan for reforming its traditional industries. It has been planned that by 1990, the main trades and products of Shanghai's traditional industries will reach the world level of the early 1980's.

Shanghai has placed the exploitation of newly emerging industries in an important position. The Shanghai municipal government has decided to take the electronics industry as the "leading industry." It has also decided that between 1986 and 1990, Shanghai will develop software, computers, large-scale integrated circuits, lasers, optical fiber telecommunications, bioengineering, ocean engineering, and robots, as well as building integrated bodies for studying and producing microcomputers, integrated circuits, basic materials, and optical equipment. By 1990 Shanghai's production and technological level will reach the world level of the early 1980's.

Shanghai must open its door both to the world and to the rest of the country so as to provide more vitality and a broader market for its economy. Since the opening of the coastal cities, more and more financial groups and persons in trading circles have focused their attention on Shanghai, which is speeding up the work of introducing foreign capital and technology. Since last year some 90 government economic and trade delegations consisting of over 500 persons have visited Shanghai. Up to the present, foreign capital introduced into Shanghai has amounted to \$900 million, twice the total introduced between 1979 and 1983. It has made a breakthrough in introducing new foreign technology and has raised to an unprecedented level its ability to introduce and absorb foreign technology.

With reference to "integration with the hinterland," the article states that Shanghai is carrying out planned economic integration with the hinterland in three steps. The first step is carrying out integration with the four provinces of the Shanghai economic zone. The second step is carrying out integration with areas along the Chang Jiang, including Wuhan and Chongqing. The third step is carrying out economic and technological integration and cooperation with the rest of the country.

#### CHINA DAILY APPLAUDS CLAMPDOWN ON LOTTERIES

HK150709 Beijing CHINA DAILY in English 15 Mar 85 p 4

["It Seems to Me" column by Li Xiaojia: "Lottery Clampdown Proves Lucky for Consumers"]

[Text] If you could believe the advertisements, the easiest way to get a colour TV set in China over the past few months would have been to buy a lottery ticket.



Millions of consumers believed it. Crowds waited in long queues in department stores, small shops, even railway and bus stations to buy a chance on winning a television, imported refrigerator or even a car -- an item rarely available to private owners in China.

The lottery craze got out of control.

Last week, a State Council circular put an immediate ban on lotteries run by commercial and industrial enterprises. It also prohibited individuals or organizations from using lotteries to raise money for public use. Stiff penalties -- including fines, disciplinary action and confiscation of goods -- were announced.

The ban was necessary.

Lotteries are harmful because they make people think that they can get rich quickly through chance alone, which runs against the traditional idea that the way to wealth is through hard work.

Young people in particular were easily seduced by these corrupt ideas and this could have serious consequences.

"You spend so little and could get so much," some young people say. But they fail to realize how minute their chances really are, especially in a country of one billion consumers. Lotteries led millions of people to spend their money for no purpose whatsoever.

The craze climaxed when the lunar new year's eve programme televised a lottery in front of a studio audience of 20,000 and 200 million television viewers throughout the country. This cast an unpleasant shadow over China's most important traditional festival.

China Central Television (CCTV), after being criticized by newspapers throughout the country, issued an open self-criticism.

But it wasn't until the State Council directive that most lotteries actually ceased. A few still are allowed. Local governments, for instance, will be permitted to allow raffles to collect money for social welfare causes, but these experiments must not be allowed to continue, the circular said. Similarly, banks which have sponsored savings deposits with lotteries will be allowed to continue, but they were directed not to expand.

The problem is that some people seem to get addicted to lotteries, despite the fact that they never win. A friend of mine had bought more than 20 tickets for different lotteries. And he would have just kept on buying, figuring one day he was bound to get lucky.

Lotteries obviously are just a disguised form of gambling, which has serious implications since it involves a great number of people. Gambling is banned in China -- it is only right that lotteries should be banned too.

I find it hard to believe that any kind of lottery could be in the best interests of the country.

The consumers were duped. Department stores and shops attached lottery tickets to goods that they had a hard time selling. People were pushed in to buying things they neither needed nor wanted because they held out the remote promise of winning something of value. Stores should instead focus on providing higher quality goods. The lotteries were actually distorting supply and demand and could have led to blind production.



Several years ago, the People's Bank of China ran a lottery to encourage people to open savings accounts. Only the winners got interest paid on their accounts.

Lotteries are nothing but tricks to get money out of people's pockets. There are other ways to encourage people to save and appeals for voluntary donations for such urgent causes as rescuing starving pandas or restoring the Great Wall have been successful.

If lotteries were allowed to continue, the scale of this land of "extortion" would only rise.

One good thing has come out of the lottery craze. It has made people think about just how far the economic reforms should go.

It is true that China needs urgent reforms to invigorate its economy that has been stagnant several times over the past 30 years. But does it mean that the reform should cast away all the traditional values together with the defects? Or does it mean that all the high ideals that have supported the Chinese people for so many decades should no longer be treasured?

The answer obviously is "no." The present reforms promote new ways for individuals to enrich themselves, but the main emphasis is still on the hard work which is needed to further the country's development, and not on wealth for its own sake.

Also, learning from abroad means bringing in the good things, advanced technology and management techniques, for instance, but not negative things such as lotteries.

By encouraging some people to get rich first, the government does not intend to encourage a polarized society of two classes. The purpose is clear here: Let some become wealthy first and then help others to become better-off along with them. Lotteries certainly do not serve this purpose.

Recently, party and government officials in many places have abused their power to run enterprises, engage in various trades, resell state materials that are in short supply, trade in foreign currencies at huge profits and spend public funds freely entertaining friends or sending gifts.

Many work units recklessly distribute bonuses and other material goods among their personnel, thus causing the state serious losses. Some shops have seized the opportunity to drive up prices.

Many of these activities have been conducted under the guise of reform and the "open policy."

This is harmful and deceptive. Such "reform" will lead China nowhere.

I am glad that these activities have aroused sufficient public attention.

After all, the reforms must be in the best interest of all Chinese people. They should not just offer a chance for a few profiteers to get wealthy through illegal means.

HAO JIANXIU STRESSES WOMEN'S ROLE IN REFORM

OW170400 Beijing XINHUA Domestic Service in Chinese 1505 GMT 16 Mar 85

[Text] Beijing, 16 Mar (XINHUA) -- Speaking at a national conference today on the work of women trade union members, Hao Jianxiu, alternate member of the CPC Central Committee Secretariat, said: The most important task for women trade union members should be to organize female workers and staff members to actively take part in the current reform and to play their role fully in building the socialist spiritual and material civilizations.

Hao Jianxiu said: The success or failure of reform of the economic structure has a bearing on the future of the party and state and on the vital interests of millions of Chinese people and also affects the fundamental interests of the working class. There are 110 million staff members and workers working in urban enterprises throughout the country, of these, 40 million are women staff members and workers. This is a very important force. Arousing the enthusiasm, initiative, and creativeness of this force has a decisive bearing on the success or failure of the reform. This not only poses new problems and sets new requirements for the work of women trade union members, but also opens up new areas for their work.

In her speech Hao Jianxiu analyzed the present conditions of the contingents of women staff members and workers and their characteristics. She said: With the advance of the reform of the economic structure, many female plant directors and managers who have a grasp of science and technology, who are skillful in management and operation, and who are bold in making reforms have come to the fore. With their own actions they have proven to society and the times that female staff members and workers are a motive force in reform and a main force in the four modernizations drive. However, it must be noted that the quality of the contingents of female staff members and workers has failed to meet the needs of the new situation because of historical reasons and because of its characteristics. A current phenomenon is characterized by the low educational, technical, and managerial level of female staff members and workers and by the lack of high-grade engineers and technicians among them. Therefore, great efforts must be made to upgrade the educational, political, and scientific level of female staff members and workers. As this is a very important task, party committees, administrations, trade unions, and CYL organizations of all enterprises must create all necessary conditions for ensuring the rights of female staff members and workers to receive education and to take part in technical training in various fields. In this area, equality for both sexes must be upheld; there must be no discrimination or exclusion. We must help and encourage female staff members and workers to increase their competence through self-study.

Hao Jianxiu pointed out: Female trade union members must unequivocally safeguard the legitimate rights and interests of female staff members and workers and enthusiastically assist them in solving practical problems in their work and daily life. Should any unit ignore party policies, impair the legitimate rights and interests of female staff members and workers, or discriminate against, exclude, and insult female staff members and workers, female trade union members should speak up boldly and struggle against erroneous actions.

Hao Jianxiu noted: Some units have violated the state law on the protection of female workers by refusing to give special treatment to pregnant female staff members and workers or to give female staff members and workers time to feed their babies. Some other units have transformed established welfare facilities, such as nurseries and kindergartens, into reception rooms under the pretext of "developing a so-called "trade to make money." These are all wrong and must be immediately corrected.

COMMENTATOR'S ARTICLE SUPPORTS PATENT LAW

OW150325 Beijing XINHUA Domestic Service in Chinese 0120 GMT 14 Mar 85

[XINHUA commentator's article: "An Important Thing Which Benefits the People as Well as the State" -- XINHUA headline]

[Excerpts] Beijing, 14 Mar (XINHUA) -- "The Patent Law of the People's Republic of China" shall be enforced on 1 April. This indicates that our country's protection of intellectual achievements with the weapon of law has entered a new period. This is an important thing which benefits the people as well as the state and is worth celebrating.

The transfer of a patent means the transfer of a right. Under the condition of implementing a planned commodity economy in our country, we are greatly in need of exchanging and circulating the achievements of technological invention. The implementation of the patent law and the protection by law of technological inventions and achievements made by scientists and technicians will enable inventors and creators to obtain rewards from their inventions and creations and thus effectively whip up the enthusiasm of scientific and technological personnel in inventing and creating. In this way, more new technology and inventions can be quickly applied to producing things and raising enterprises' technological quality.

The patent system stipulates regulations on rewards for those who have made meritorious achievements. Rewards will be given in proportion to the level of invention and value of economic results. This will encourage many people to carry out reform and create new things.

Our country's patent system also allows foreigners to apply for patent protection for their technological inventions in our country. This will be conducive to importing advanced technology from foreign countries for the building of the four modernizations and promoting the further development of technical exchange and cooperation between China and other countries.

When the patent law goes into effect, the patent for inventions and creations will be respected and protected. It can be expected that a situation of more invention and creation will emerge in our country, and the role of scientific research achievements will be developed more fully in the national economy.

SONG PING AT TV CORRESPONDENCE COLLEGE OPENING

OW150029 Beijing XINHUA Domestic Service in Chinese 1617 GMT 12 Mar 85

[Text] Beijing, 12 Mar (XINHUA) -- A television correspondence college for China's statistics personnel was inaugurated in Beijing today. Song Ping, state councillor and concurrently director of the State Planning Commission, and Ma Hong, president of the Chinese Academy of Social Sciences, attended the inauguration ceremony.

The 3-year college will recruit working statistics personnel who have high school education. Classes for the first batch of students recruited this year will begin in July. The college has engaged Xue Muqiao as honorary president and Director Zhang Cai of the State Statistical Bureau as president.



YUNNAN LEADERS SIT IN ON MEDICAL BOOK MEETINGS

HK181426 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 13 Mar 85

[Excerpts] From 8 to 13 March, a total of 80 leading cadres, specialists, and professors from local and PLA public health departments throughout the country held a meeting in Kunming to study and discuss the compilation of a book about the history of preventative medicine in New China.

Comrade Qian Xinzong, chairman of the compiling committee of the book on the history of preventative medicine in New China, presided over the compilation meeting and delivered a speech at the opening ceremony. On the morning of 8 March provincial party, government and Army leaders An Pingsheng, Zhang Zhixiu, Pu Chaozhu, Li Qiming, and Liu Minghui met all the comrades attending the meeting.

CONFERENCE REPORTS COLLEGE ENROLLMENT INCREASE

OW160156 Beijing XINHUA in English 0147 GMT 16 Mar 85

[Text] Nanning, March 16 (XINHUA) -- Chinese colleges will enroll 1.16 million students this year, Education Vice-Minister Huang Xinbai told a national conference now in session here.

Regular universities will take 563,000, 18.5 percent more than last year, of whom 320,000 will be undergraduates and the rest take special courses. Adult higher education by correspondence, television and evening school will take 600,000 students, up 26.6 percent. Technical, agricultural and vocational schools will enroll 1.75 million junior middle school graduates, up 18.3 percent.

This year's higher enrollment figures, said Huang, will be subject to a guarantee of academic standards, and colleges will try to provide freshmen with the best living and studying conditions possible. The ministry plan, arrived at after consulting over 900 colleges, was adopted by the meeting after careful discussion. Also discussed were broadening the scope of enrollment, adjusting student origins and recommending outstanding middle school students for university.

STATE COUNCIL ISSUES SEA POLLUTION REGULATIONS

OW151638 Beijing XINHUA in English 1609 GMT 15 Mar 85

[Text] Beijing, March 15 (XINHUA) -- The State Council has issued tough new regulations aimed at preventing marine pollution by controlling the dumping of waste at sea.

The regulations, which will come into force on April 1, state that no one may dump any kind of waste at sea without prior approval of the State Administration of Oceanography. It will be forbidden to dump matter such as wastes containing organohalogen compounds, mercury and cadmium and their compounds, high-level radioactive wastes, crude oil and various petroleum products.

The regulations apply to the dumping of wastes or other matter in all waters under China's jurisdiction, the shipping of such wastes for dumping and the loading of them on Chinese land or at harbors.



Foreign wastes may not be shipped to Chinese waters, and foreign vessels and platforms may not dump, without approval, wastes produced from exploration, development and off-shore processing of sea-bed resources.

People causing pollution at sea will be held responsible for controlling it up within a set time, and must pay and clean-up costs, the regulations add.

CAAC ANNOUNCES NEW DOMESTIC, OVERSEAS AIR ROUTES

OW160730 Beijing XINHUA in English 0659 GMT 16 Mar 85

[Text] Beijing, March 16 (XINHUA) -- China will open eight new air routes -- seven to mainland cities and one to Singapore -- this year, according to the Civil Aviation Administration of China (CAAC) here today. This will bring the total number of domestic air routes operated by CAAC, the national flag-carrier to 83, and international air routes, to 24 by the end of this year.

Today, the airline opened an air route connecting Shanghai with Lianyungang and Beijing. CAAC will operate flights every Tuesday and Saturday.

A CAAC official said the airline will inaugurate a service between Taiyuan, capital of Shanxi Province, and Guangzhou, Capital of Guangdong Province. There will be one Trident flight a week.

Three more domestic air routes are scheduled for operation in April. They are: Shenyang-Dandong-Dalian-Beijing, Beijing-Qinhuangdao-Shijiazhuang-Nanjing-Shanghai, and Shenyang-Qinhuangdao-Beijing-Shijiazhuang.

CAAC will open two air routes in Heilongjiang Province, northeast China, in July -- one from Harbin, capital of the province, to Jiamusi, the other between Harbin and Heihe, near the Soviet border. Flights will be every Monday, Thursday and Friday. A direct air service will be inaugurated between China and Singapore on June 15.

CAAC Director-General Shen Tu said recently that China's civil aviation faces the challenge of rapid development because of further opening to the outside world and the booming domestic economy; this has entailed rapid extension of links, both economic and touristic, internally and with the outside world, Shen Tu said.

He emphasised, "China will further expand its air route network all over the country. Air services will be available for all economic centers, open cities, tourist cities and important medium-sized and small cities. CAAC will fly more international routes to countries that have frequent contacts with China, and to regions of political or economic importance," he added.

To further this objective, China will send a number of pilots to foreign countries for training while buying new passenger planes, and improving telecommunications and other facilities.

KAIFANG ON DEVELOPMENT OF MARXIST ECONOMICS

HK120923 Guangzhou KAIFANG in Chinese No 2, 8 Feb 85 pp 2-6

[Article by Xu Dixin: "Development of Marxist Economic Theories in China"]

[Text] The decision of the 3d Plenary Session of the 12th CPC Central Committee on reform of the economic structure is a new development of Marxist political economy in China in our practice of developing socialist economy and realizing socialist modernization. The establishment of the PRC ended the over 100 years of history of serious disasters of the semifeudal and semicolonial society. After that, we established the socialist system and established, under the party's leadership and through the hard struggle of the people throughout the country, a relatively integrated industrial system and national economic system and scored tremendously great achievements that would have been utterly impossible for old China to have scored. The profound change that has taken place in the past 35 years has initially displayed the superiority of the socialist system.

However, we have not given due emphasis to the superiority of our socialism. Besides historical, political and ideological causes, one of the important causes for this is the rigid structure of our economic system which is not suited to the development of our socialist productive forces. The "decision" points out that the major defects of this structure are that no clear distinction has been drawn between the functions of government and those of the enterprise; barriers exist between different departments or regions; the state has exercised excessive and rigid control over enterprises; adequate importance has not been given to commodity production, the law of value, and the regulatory role of the market; and there is absolute equalitarianism in distribution. This has resulted in enterprises lacking the necessary decisionmaking power and in the practice of "eating from the same big pot" prevailing in the relations of the enterprises with the state and in those of the workers and staff members with their enterprises. This economic system is obviously not suited to the development of the productive forces in our society. Can we say that a contradiction has emerged between socialist relations of production and the productive forces of the society? Have socialist relations of production already become an obstacle to the development of the social productive forces in our country? I think that we should not confuse relations of production with economic structure. For many years in our country, the economic structure has been a concrete form of the socialist relations of production in the spheres of production, circulation, and distribution, but it is not the socialist relations of production themselves which are characterized by the abolition of the system of exploitation and the establishment of the public ownership of the means of production. What is the content of socialist relations of production? What Marx and Engels clearly pointed out in their works was the abolition of the capitalist ownership of the means of production; the establishment of the socialist public ownership of the means of production; the abolition of exploitation of people by people; and the implementation of the principle of distribution according to labor so that those who do more work get more pay and those who do little work get little pay. They did not point out anything in detail about the relations of the government to the state-owned enterprise and those of the workers and staff members to their enterprises. So how can we insist that Marx gave detailed instructions on these problems over 100 years ago? The decision of the 3d Plenary Session of the 12th CPC Central Committee precisely clarified, from the point of view of economic structure, the issues that Marx and Engels had already pointed out but which were distorted by "leftist" errors and the issues that Marx and Engels had already pointed out but had failed to clarify. What it has solved is precisely those problems that Marx and Engels did not have the conditions to consider and that we have discovered in our practice. Is this not a new development of the Marxist political economy?

1. Marx and Engels pointed out that as a class that had the state power in its hands, the proletariat must confiscate the property of the bourgeoisie and turn it into the property of the state. However, they did not say that the enterprises owned by the state must be directly managed by state organs. In many years in the past, we confused the ownership by the whole people of the means of production with the direct management of enterprises by state organs. This meant that we held that since enterprises belonged to the state which represented the whole people, enterprises must be directly managed by state organs. It is possible and even necessary for state organs to directly manage a very small number of key state-run enterprises. However, if we put over 1 million state-run enterprises under the state management we will not be able to avoid too rigid a control by the state over our enterprises nor will it be possible for us to avoid practicing "bureaucratic idle dreams" in our economic field, a practice Lenin envisaged.

The history of capitalism has already proved that capitalists' ownership can be separated from their management power over their enterprises. This kind of separation does not change the nature of the capital of the enterprises nor does it affect the exploitation of the workers' surplus value by the capitalists. An example for this separation is the capitalist limited share company. In a socialist country, according to Marxist theory and socialist practice, the socialist ownership of means of production can be appropriately separated from the management power of our state-owned enterprises. The appropriate separation between ownership and management power will turn our state-run enterprises into independent economic entities that are managed independently and shoulder sole responsibility for their own profits and losses. By so doing, we will turn our enterprises into legal entities which have certain rights and duties, compel people responsible for enterprises to work diligently and run their enterprises satisfactorily, and prevent them from depending on "the same big pot" provided by the state. Will this not encourage our state-run enterprises to bring into play their vitality and vigor in continuously improving their operation and raising their economic results?

2. During the initial period after the liberation, in order to realize financial and economic unification in the whole country, in order to transform capitalist industry and commerce, and in order to carry out large-scale planned economic construction, it is necessary to gradually establish a centralized national economic structure. However, as the socialist transformation was in the main completed and the scale of our country's economic development became increasingly great, the defects of excessively rigid control in that economic structure gradually manifested themselves. In addition, for a long time we confused the ownership by the whole people with the direct management of enterprises by state organs. As a result, overcentralization in our economic structure became even more serious.

Overcentralization and the practice of state organs directly managing enterprises inevitably led to the practice of the state taking all the income and paying all expenditures of state-run enterprises and of state-run enterprises sharing their profits and losses. As a result, the enterprises that earned profits had to deliver their profits to the state every year while those who suffered losses were subsidized by the state every year. (In other words, they transferred their losses to the state.) This meant that the enterprises that suffered losses spent the profits earned by other enterprises and this was the practice of enterprises "eating out of the same big pot" provided by the state. Since an enterprise could be subsidized by the state in the practice of "eating out of the same big pot" provided by the state when it suffered losses, where was the need for it to conscientiously improve its production and management or to pay attention to its economic results? Is there any doubt that the practice of "eating out of the same big pot" has caused our socialist state-run enterprises to lose their vitality and vigor?



From this we can see that changing the situation whereby state-owned enterprises must be directly managed by state organs and whereby there is excessive centralization in the management of our economy is a major historical task in building a socialist economic structure that has Chinese characteristics and is full of vitality and vigor. Some comrades will ask: What are the special features of Chinese-type socialism? I think that Chinese-type socialism has the socialist public ownership of means of production as its foundation and is based on the conditions of a large population and underdeveloped technology. Therefore, on the one hand, we should build large and medium-sized modern technology-intensive industrial enterprises as the backbone; and in developing energy and transport industries, they should also be characterized by intensive modern technology. However, at the same time, in order to enliven our economy, we must develop labor-intensive industrial enterprises (in particular the handicraft industry) and various kinds of enterprises of "tertiary industry." We should allow individual economy to play a supplementary role in our socialist commodity economy. If the over 1 million enterprises, technology-intensive or labor intensive, throughout our country do not eat out of the same big pot provided by the state, strive hard and improve the quality of their products and their economic results, then will our country's socialist economy not prosper day by day? Does our country's socialist economic structure not require that we make hundreds and thousands of our state-owned enterprises bring their vitality into full play and through developing their production and raising their economic results enable our country's socialist national economy to newly develop day after day? Is this not clearly different from the previous economic structure that was characterized by excessive centralization and rigidity and in which our enterprises were deprived of vitality and our market was half dead?

3. Why should we vigorously develop socialist commodity production? For many years we always adopted a mechanical attitude toward planned economy, commodity economy, and the law of value. We always pitted planned economy against commodity economy and thought that they were mutually exclusive. We always thought that the law of value was a law governing commodities in an anarchic environment -- capitalism -- and that it meant life-and-death competition, and held that in conducting a planned economy, we had to negate the law of value. According to Marxist theory and socialist practice, the above-mentioned ideas run counter to the facts and are mechanical. True, Marx did not hold that commodity economy was the foundation of socialist planned economy, because what he studied was Britain, a country where commodity economy was very developed at that time. That was why he thought that when socialism was practiced in a developed capitalist country, commodities could be abolished. The restriction of the times and practice caused Marx and Engels to put forth this kind of view. That was not unusual. However, later, Lenin clearly held that when the proletariat seized state power and was practicing socialism, it could not immediately abolish commodities and currency.

During the period of the Great Leap Forward, the "leftist" thoughts advocated the abolition of commodities. This was an entirely subjective idle dream. Before the liberation, our country was a semifeudal and semicolonial country where natural economy occupied a dominant position. What did natural economy mean here? It meant that the productive forces were underdeveloped and that the peasants could only produce a few things that they needed themselves. They had few things in surplus for commodity exchange. Under this situation, the volume of commodity exchange was pitifully small. The underdevelopment of commodity exchange was precisely the clear evidence for the underdevelopment of the productive forces. The emergence of capitalism was based on the condition of the great development of commodity economy. However, we should not entirely confuse commodity economy with capitalism. Commodity exchange existed 5,000 years (or even 7,000 years) ago, but capitalism emerged only 500 to 600 years ago. How can we confuse commodity economy with capitalism? How can we say that there must be capitalism in a commodity economy? Is commodity economy inseparable from capitalism.



It is an untenable "leftist" idea to obstinately assert that the commodity production of our peasants is a spontaneous force of capitalism. If we hold that we should not develop commodity production in our country at present, we mean that we want to maintain the natural economy and that we want to stifle the productive forces. Our country's socialist modernization cannot develop under the conditions of a stagnant productive force or under the conditions of a natural economy. What then is there to be afraid of in a commodity economy that represents the development of productive forces? Is a commodity economy not able to serve socialism? Can it not be a form of economy for the development of socialism?

A commodity production based on the public ownership of means of production, or even a commodity production based on an individual economy differs from capitalist commodity production, because there is no exploitation of surplus value in it. But from the point of view of the blindness in commodity production, there is no difference between capitalism and individual economy, both of which conduct production under anarchic conditions.

This is different for a planned commodity economy, which, though it cannot entirely eliminate blindness, can promptly restrict blindness under the guidance of the state plans and the assistance of the administration of the government industrial and commercial departments. If we want to develop our country's productive forces and if we want to enliven our socialist economy, it is inconceivable not to develop commodity economy. If we negate commodity economy because it may bring about some blindness, the result will also be inconceivable.

4. The decision of the 3d Plenary Session of the 12th CPC Central Committee dialectically combines planned economy, commodity production, and the law of value. We have mentioned the relationships between planned economy and commodity economy and now we must expound on the inevitable existence and important role of the law of value in the period of socialism.

In the past, we regarded the law of value as an opposite to socialist economy. This view not only runs counter to the objective reality, but also Marx' instructions. When Marx analyzed social division of labor, he said: "The law of value of commodities determines how great a part of the total labor time that a society has under its control can be spent in producing a specific kind of commodity." ("Collected Works of Marx and Engels," Vol 23, p 394) This means that this requires that society (the state) to distribute all the labor force and means of production under its control proportionately among its various production sectors in accordance with objective demands.

This requirement of the law of value is precisely what Stalin said about "the requirement of the law of the proportionate development of national economy in a planned manner." Therefore, we can say that the requirements of these two laws coincide. However, there is a difference between them. This difference is that regarding the commodity production that does not conform to the objectives of required proportion, the law of value plays a silent role of resistance afterwards when price departs from value and thus there is a sharp fall in the prices of others which are stockpiled in large quantities; while the other law stresses making arrangements beforehand. If the arrangement does not conform to the objectively required proportion, then the law of value will correct it afterwards. Therefore, consciously applying the law of value becomes an important link in the planning work of the state.

In a socialist society, the law of value cannot be neglected.

Not only can we not overlook its role in "deciding how large a percentage of time in the total labor time that is under the control of the society can be spent in producing a specific kind of commodity"; not only can we not overlook its regulation that only the necessary labor time is taken into account in the value of the commodities in the production of various kinds of producers and production enterprises, and that when the labor spent in production exceeds the socially necessary labor time, the part that exceeds it will not constitute value; and not only can we not overlook the exchange of equal value between commodities in the market; but we also cannot overlook its requirement that on the basis of the public ownership of means of production, after making a deduction for a contribution to the social funds, consumer goods should be distributed among laborers according to their labor. This distribution after the deduction of social funds is in essence an exchange of equal value and is a requirement of the law of value. In a socialist society the law of value does not lose the grounds for its existence, but continues to play its role in the three processes of production, circulation, and distribution.

Regarding the economic structural reform, the party clearly pointed out in its recent third plenary session: "In the reform of the planning system, it is necessary, first of all, to discard the traditional idea of pitting the planned economy against the commodity economy. We should clearly understand that the socialist planned economy is a planned commodity economy based on public ownership, in which the law of value must be consciously followed and applied. This is a crystallization of the experiences that we have gained in the practice of our country's socialist construction. It is not only based on the basic principles of Marxist political economy, but is also a development of Marxist economic theory.

5. Regarding a planned economy, in the light of the reality in our country and in the manner of seeking truth from facts, we must bring the production of a few kinds of key commodities in line with our mandatory plans. Along with our mandatory plans, there are guidance plans. Both plans are concrete forms of the plans in a planned commodity economy. We could say that mandatory plans are the direct and conscious arrangement by the state planning organs of the production of a small number of commodities of key importance through the application of the law of value, while guidance plans are a combination of the regulation by the relations of supply and demand in our market and by the state's application of economic levers. This means that neither mandatory plans nor guidance plans can depart from the law of value. As for our free market, it is directly regulated by the law of value. Here, of course, the state can do nothing to affect it. However, through its industrial and commercial administrative organs and judicial organs, the state bans the illegal activities that harm the interests of our consumers such as the activities of pushing prices up or down at will, doing shoddy work and using inferior materials, passing off defective goods as goods of high quality, and undermining market order.

The decision of the 3d Plenary Session of the 12th CPC Central Committee stresses the regulation of the market mechanism, but clearly expounds on the experiences and measures of planned economy. It says: "Our national economic plans on the whole can only be rough and flexible and we can only strike an overall balance through our plans and regulate by economic means." Here, economic plans are for the whole national economy. Planned economy means a combination of mandatory and guidance plans and does not place outstanding emphasis merely on mandatory plans. According to the understanding of some comrades, the previous idea on regarding planned economy as the key means bringing most of our commodity production (including both heavy and light industrial production) in line with our mandatory plans. This is not a correct understanding. Perhaps, the reason why we do not uphold the view of regarding planned economy as the key is because we want to cope with "bureaucratic idle dreams." However, this should by no means make us think that planned economy no longer exists in our country.

6. Some comrades asked: "How do we understand the view that the reform in our price system is the key to the success and failure of our entire economic structural reform?" The goal of our economic structural reform is to enliven our country's socialist national economy, to develop industrial and agricultural production, to relatively quickly realize the modernization of our country's industrial and agricultural production, to increase the income of the people throughout our country and to improve the people's livelihood. In other words, economic structural reform is aimed at rationalizing our country's price system. The rationalization of price system will guarantee the income of our staff and workers, ensure that their wages will increase and thus give rise to a genuine increase in their purchasing power rather than a nominal increase. The reform in our price system involves problems in almost every field. However, if we fail to increase the production of material wealth and if we fail to raise the economic results of commodity production, it will be very difficult for us to realize the rationalization of our price system. Having observed the practice of paying high wages and encouraging high consumption in Japan, the United States, and other countries, some comrades want our country to also pay high wages and encourage high consumption. But, this practice must be based on the conditions of developing industrial and agricultural commodity production. If we fail to develop our commodity production, if we fail to make the quality and types of our commodities fine, and to develop new products to replace old ones so as to enable them to have the strength to open up domestic and foreign markets, we will fail to attain our hope for high wages and high consumption. In our economic structural reform we must reform the irrational part of our price system; but at the same time, we must base this on our workers' and staff's production initiative and greatly increasing the production of commodities with use value. In short, high consumption and high wages must be based on high production.

Eliminating the practice of "eating out of the same big pot" in the relationship of the enterprise with the state will provide conditions for eliminating the practice of "eating out of the same big pot" in the relationships of the workers and staff members with the enterprise; for when the enterprise is to shoulder sole responsibility for its profits and losses, of necessity a production responsibility system has to be implemented for its workers and staff members. Assigning by contracts the responsibility for fulfilling production quotas and guaranteeing the quality of products caused the workers' and staff's labor to be linked with the results of their labor. This embodies the socialist principle of distribution according to labor under which those who do more work get more remuneration and those who do little work get little remuneration.

7. In our country, there are quite a few industrial enterprises which produce products of very poor quality and achieve low economic results. This has been a consequence of the practice of "eating out of the same big pot." Since an enterprise can "eat out of the same big pot," naturally, there is no competition, without which the production and management of our state-owned enterprises is perfectly stagnant. For our state-owned enterprises, competition is a kind of stimulus as well as a kind of pressure which compels many industrial enterprises to think out methods to introduce advanced technology and even to improve the technology that they have introduced from elsewhere. By so doing, they enable our country's socialist production to continue to progress in the process of modernization.

In competing through the quality and prices of their products, socialist enterprises act in the same way as capitalist ones. However the former differ from the latter because the former do not exploit surplus value or pursue excessive profits for capitalist financial groups while the latter do. When a socialist enterprise suffers a failure in competition, its responsible people will be punished by law while the enterprise itself should certainly be reorganized or closed down. Otherwise, there will be no hope for our country to realize its socialist modernization.



8. Some comrades have asked: "Why are the enterprises with joint Chinese and foreign capital, the enterprises with joint Chinese and foreign management, and sole proprietor enterprises of foreign capital that have been set up by utilizing the capital of foreign businessmen also a necessary and useful supplement to our country's socialist economy?" The answer is very simple: First, not only do the commodities (particularly the new-type expensive commodities) produced by our country on our own fail to satisfy the daily increasing demand of the people at home but there are also problems of too much waste and of defective products and products being stockpiled. Second, the technology and management in foreign capital enterprises are better than ours; therefore, they can help us to urge our country's old enterprises to carry out technological transformation and urge our country's enterprises to improve their administration and management. Drawing in foreign capital will certainly give rise to fierce competition for our country's industrial enterprises. Our country's socialist economy, in particular the state-owned economy where the means of production are owned by the whole people is many times stronger than it was 30 years ago. Utilized by the state, the economic activities of the enterprises with joint Chinese and foreign capital can play only a supplementary role, and cannot shake our country's socialist economy. There can be no doubt about this.

#### ZOU YU ADVOCATES TRAINING LEGAL ADVISERS

OW141329 Beijing XINHUA Domestic Service in Chinese 1329 GMT 11 Mar 85

[By reporter Zhou Lixian]

[Text] Beijing, 11 March (XINHUA) -- More than 380 students of the first national training class for legal advisers for enterprises and establishments began their study of professional knowledge in law in Beijing today. They have come from enterprises and establishments affiliated to the Ministries of Textile Industry, Petroleum Industry, Nuclear Industry, Electronics Industry, and 16 other ministries and commissions of the State Council. After a 6-month study, they will become legal advisers for their respective enterprises or establishments, or engage in other law-related work.

Zou Yu, minister of justice, spoke at the opening ceremony. He said: Training legal advisers or law workers from among personnel of enterprises and establishments suits China's condition. It is also a good way to bring up qualified personnel in law, who know their own professions as well as the laws, and who are, in some way, superior to those who receive exclusive training in the law. This experience in training qualified personnel in law should be popularized as soon as possible. He urged law enforcement organs to train qualified personnel in law for enterprises and establishments, and strive to equip all large and medium-sized enterprises throughout China with their own legal advisers in the next few years.

It is learned that in the past 2 years, the Ministry of Justice and the State Economic Commission have experimented with the training of legal advisers from among personnel of enterprises and establishments in some provinces and municipalities. As of the end of last year, law enforcement organs and departments in charge of economic work had coordinated their efforts and trained some 6,000 legal personnel in economic work.

ANHUI RIBAO STRESSES CHECKING IRREGULARITIES

OW181241 Hefei ANHUI RIBAO in Chinese 3 Mar 85 p 1

[ANHUI RIBAO commentator: "With a Heightened Sense of Discipline, All Reforms Will Be Successful"]

[Text] This is the first year of restructuring the national economy as a whole, focusing on the urban economy, in accordance with the decision of the CPC Central Committee on reform of the economic structure. While correct principles and careful planning are essential to attain the great goal of winning sure victory in our reform, equally essential is orderly reform carried out by the whole party and the whole nation in a disciplined manner and with concerted steps under the CPC Central Committee's centralized leadership. "With a heightened sense of discipline, all reforms will be successful."

The reform of production relations and the superstructure cannot possibly be smooth sailing. Since it involves extensive areas and the vital interests of a large number of people, it certainly will encounter all types of complications and problems as well as numerous barriers. Throughout the process, there certainly will be a struggle between partial and overall interests, between advanced and backward measures, between correct and mistaken ideas, and between pioneering work and conservative forces. Such being the case, every act of our reform must take both partial and overall interests into consideration so that microeconomic activities can be enlivened and healthy macroeconomic development can be ensured. This means that our reform must proceed along the right track. This requires a high sense of discipline and concerted actions of all party members and people throughout the country under the CPC Central Committee's leadership. This also dictates that leadership and plans are necessary regarding what areas should be reformed ahead of others and to what degree a reform should systematically be carried out. We must also realize that it is highly realistic and essential to emphasize the need for a sense of discipline in view of the new situations and new problems that have appeared during the current reform. While our reform has been proceeding soundly and smoothly on the whole, we must realize that several new unhealthy tendencies have appeared since the fourth quarter of 1984. These unhealthy tendencies can be observed primarily from the acts of some cadres of party and government organs who have taken advantage of their power to engage in commercial work and have profited from speculating in trading merchandise in short supply; from the acts of some production and distribution departments which have recklessly raised the prices of their commodities; and from the acts of some units which have used all sorts of excuses to give out bonuses or rewards in kind, hold banquets, present gifts, and squander public funds; as well as from the acts of some units which have recklessly promoted their cadres to higher positions and carried out various types of fraud and formalistic practices. Subjectively speaking, the cause of such discipline and disobedience of orders and prohibitions lies in the attitude of some comrades who have forgotten or deviated from the party's principle that they must serve the people wholeheartedly and are unable to correctly understand and handle the relationship between partial and overall interests, and between themselves and the collective. Thus they have placed partial or their own interests above the overall interests of the party and the people. For the sake of partial and their own interests, these people have not hesitated to infringe upon the people's interests. Therefore, taking advantage of the opportunity of reform, they wanted to "make a killing" for themselves or for their small groups. Objectively speaking, because of the influence of certain backward social ideas, some party and government leaders and ideological and political work departments have become soft, weak, and lax. Consequently, party and administrative discipline has become lax, and regulations have not strictly been enforced.

This unhealthy tendency of disregarding orders and prohibitions in the name of "reform" and "enlivening" the economy is highly deceptive and detrimental, because not only has it obstructed the smooth progress of overall reform, it has also undermined the party's and the state's policies and laws, demoralized the people, weakened the party organization, and even corroded the party and ruined a large number of cadres. Such being the case, the whole party must deal with this problem seriously.

To heighten our sense of discipline, we must, first of all, organize the broad masses of party members, especially the leading cadres at all levels, to study earnestly the CPC Central Committee's decision on reform of the economic structure and other important instructions. While studying the articles on party style and party discipline as well as the documents on party rectification, we must thoroughly understand the nature, objectives, principles, and policies of reform and, by integrating theoretical study and actual experience, thoroughly understand the seriousness of the unhealthy tendencies. We must clearly understand that our reform will not be successful unless party style is improved and our society is stable, united, and law-abiding. All comrades, particularly leading cadres at all levels, must act as both promoters of reform and loyal fighters strictly enforcing all orders and prohibitions. Moreover, party and government organs as well as all enterprises and institutions must consciously and strictly inspect and rectify all unhealthy tendencies in their respective units and areas, and handle all cases and correct all mistakes one by one. In doing so, they must hold themselves responsible to the party and the people; and they must work seriously, earnestly, and in a practical manner, and not perfunctorily. Furthermore, in strengthening discipline, they must underscore the need to be strict. This means that whoever violates party or government discipline should be duly punished according to the seriousness of the case and the attitude of the offender, and that whoever breaks the law must be punished according to law. Leaders and law enforcement departments at all levels must never be lenient, and should never give any consideration to "relations." Instead, they must dare to resist pressure and act firmly in thwarting the unhealthy tendencies.

#### ANHUI ANNOUNCES APPOINTMENTS, DISMISSALS

OW181401 Hefei ANHUI RIBAO in Chinese 7 Mar 85 p 1

[Text] Namelist of appointments and dismissals decided upon by the Anhui Provincial People's Congress Standing Committee (adopted by the 13th session of the Standing Committee of the 6th Anhui Provincial People's Congress on 6 March 1985)

1. Appointments: Chen Jian [7115 0256] chairman of the provincial Planning Commission; Yang Lianzhu [2799 6647 3796] director of the provincial Financial Department; Wang Qinghua [3769 3237 5478] director of the provincial Communications Department; Ji Jiahong [1323 1367 1347], director of the provincial Department of Light Industry.

2. Dismissals: Shao Ming is relieved from the post of chairman of the provincial Planning Commission; Li Fu [2621 3940] is relieved from the post of director of the provincial Communications Department; and Lu Tingzhi [7120 1656 2784] is relieved from the post of director of the provincial Department of Light Industry.



POOR LEADERSHIP CAUSED ACCIDENT IN HENAN MINE

HK181144 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 16 Mar 85

[Text] Around mid-to late January this year, leaders of the Pingdingshan No 8 mine ran counter to objective laws and engaged in a so-called experimental production drill. This resulted in a major accident and halted the mine's production for 9 days, so that the state suffered 980,000 yuan in losses. However, the perpetrators still have not received their deserved punishment.

On 14 March, when being interviewed by reporters, the party secretary of this mine went so far as to state that he did not feel embarrassed. He said: People tried 666 times before they succeeded in producing benzene hexachloride powder. But we have only failed once in this case.

The Pingdingshan No 8 mine was developed with a state investment of 500 million yuan, and is a modern large mine with an annual production volume of 3 million tons. The second phase of the project was put into operation on 30 December last year.

According to objective laws, a mine must go through a transitional period before reaching the designated production level. Therefore, the Pingdingshan Mining Bureau assigned the mine this year's production quota of 1.7 million tons. In January this mine planned to produce 4,467 tons of coal. However, the average output volume from 1 to 14 January was only 4,003 tons, and was more than 6,000 tons short of the target.

The leadership of the mine acknowledged that the reason the mine's production was in a passive position was due to confused management, poor-quality personnel, and problems in links in the production chain. But the leadership did not put an end to the situation by strengthening management and perfecting the equipment. Instead, the leadership abruptly decided to engage in a so-called experimental production drill to sharply increase the daily output of coal. In addition, the leadership claimed that this could help in examining the production capacity of the mine, assess the cadres' ability in organization and leadership, help train the workers, expose weak links in the production process, and help achieve a good beginning in January's production. In fact, the leadership's action in launching campaigns level by level promptly developed a tense atmosphere throughout the mine.

On 15 January, the mine carried out the first experimental production drill. Then the leadership presented 19 wall clocks to departments concerned and decided to hold the second drill from 23 to 25 January. It was overwhelmingly ambitious in breaking through the daily production level of 10,000 tons.

On 17 and 18 January, the base of the mine's main shaft was blocked twice. But the leadership only gave instructions to cadres at the grassroots level instead of conducting a thorough investigation. Therefore, the issue was not completely settled, thereby becoming a latent cause for the accident.

On 23 January it was snowing hard in Pingdingshan and the entire area was more quiet than usual. But the atmosphere at the Pingdingshan No 8 mine was totally different. In order to encourage the workers, there was a deafening sound of gongs, drums, and firecrackers near the entrance to the mine. Colorful banners fluttered over the site. Attractive placards and models of washing machines were on display. In addition, the broadcasting systems of the mine's broadcasting station and trade union constantly aroused the workers. The mine's 6 canteens put 12 kitchen ranges, as well as tables and chairs, in temporarily erected tents on both sides of the road so that the workers were served on the spot.

That day was nicknamed high yield day among the masses. One of the mine's cadres recalled the situation and remarked: It was just like going to a fair.

Consequently, a major accident occurred at 1900 that evening at the base of the main shaft. It was so seriously blocked that the entire mine's production came to a standstill. During the 9-day halt in production and 5 days of restoring production, the mine's raw coal production was more than 48,000 tons lower, so that the state suffered 980,000 yuan in losses and the workers earned around 340,000 yuan less.

#### Station Commentary

HK181140 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 16 Mar 85

[Short commentary: "Harmfulness of Blind Commands to the State and the People"]

[Text] Coal production has its own rules. If we want to have high yields and quality but a low consumption rate in coal production, we should mobilize the masses to rely on science, technology and scientific management, find out keys in the production chain, and to carry out work in a down-to-earth manner.

However, the leadership of Pingdingshan No 8 mine ignored objective laws and launched level by level a so-called experimental production drill. By beating gongs and drums, the leadership worked hard to build up so-called momentum. Consequently, things went contrary to the leadership's expectations, and this brought about a halt in production so that both the state property and workers' interests were damaged. In addition, the initiative of the workers was dampened.

The practice of issuing blind commands is a product of the ultra-left line. It goes against the objective laws along which things develop. Anyone who issues blind commands must be punished by objective laws. In the past we gained much bitter experience in this respect. However, some cadres still indulge in superficial acts, formalism, and pursuing an undeserved reputation, rather than acting in a down-to-earth manner, and issue blind commands. We should draw lesson from and always bear in mind the experience of the Pingdingshan No 8 mine.

#### HUNAN CADRE REWARDED FOR SPEAKING TRUTH

HK190213 Beijing NONCOMIN RIBAO in Chinese 4 Mar 85 p 1

[Report by Zhang Hongjian and Zeng Bingyan: "The Ningxian County CPC Committee Confers an 'Award for Reporting Problems' To Encourage Cadres To Speak the Truth"]

[Text] Issue No 2 of 1985 of Hunan's periodical ZHIBU SHENGHUO [PARTY BRANCH LIFE] carries a report entitled "The 'Award for Reporting Problems' Presented by a County CPC Committee." The report reads as follows: The Ningxiang County CPC Committee has grasped a typical example to encourage cadres to speak the truth. When Cen Lan, a civil administrative cadre from Xiangzikou Township, exposed the problems in the county's work, the county CPC Committee praised him for daring to report problems and for reflecting things as they really were. Besides writing a letter to commend him, the county CPC Committee also presented him with a 30-yuan award.

This is how it happened: Situated at the southern foot of Wei Shan, where the natural conditions were unfavorable, Shazipo, in Xiangzikou township, was a poor mountain village, which relied on "resold grain" for goods, on loans for production, and on relief funds for expenses.

It had 24 households with a population of 111 people. Because of the poor living conditions, there were 11 bachelors over 27 years of age. After finding out this situation, Cen Lan, a township civil administrative cadres, was quite worried. He had wanted to report this matter to higher authorities, but knowing that during the 10-year catastrophe some leading organs were keen on listening to good news and not to bad and treated with disdain those exposing the dark side of things, he gave up the idea of reporting the situation.

In late August 1984, Cen Lan along with two other cadres from the township again went to Shazipo to conduct investigation. He discovered that the cause of its poverty lay not only in the influence of "leftism" but also in the irrationality of some specific policies. For example, Shazipo annually received more than 9,000 jin of resold grain from the state but the villagers had to sell more than 7,500 jin of grain to the state annually. As a result, many work hours were wasted on the delivery of grain. Moreover, the more than 400 mu of hilly land in this village was originally a favorable condition of this village. However, because attention was consistently paid to grain production over the years, the hilly land with a slope of 45 degrees was developed into terraced fields, thus resulting in the loss of soil. The more he analyzed this situation, the more he felt that as a party cadre, he had a duty to report things as they really were to the higher authorities. In his investigative report he wrote down his three proposals: 1) Reduce or cancel the state grain purchases from Shazipo; 2) immediately permit the peasants there to turn the farmland into forests; 3) support the peasants with funds and technology.

After posting the investigative report to the county CPC Committee, Cen Lan was worried: "It was because I was keen on speaking the truth that I was branded a 'rightist' in 1957. What will happen this time? Will I be censured or will things be made difficult for me?" He learned later that the county CPC Committee had transmitted his investigative report and instructed the department concerned to send people to Shazipo to solve the problems he had reported. At the end of November he received a letter from the office of the county CPC Committee. The county CPC Committee fully affirmed his spirit of daring to report problems and to reflect things as they really were, and presented him with a 30-yuan award. The realistic practice of the county CPC Committee greatly inspired him.



GUIZHOU MEETING ON FIGHTING ECONOMIC CRIME

HK181430 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 17 Mar 85

[Text] The leading group for cracking down on serious economic crime under the provincial CPC Committee recently held a meeting to study and analyze in detail the new economic crimes that have emerged under the new situation and to make arrangements for work in the next stage.

The meeting held that the province achieved marked results in cracking down on economic criminal activities last year by ferreting out some criminal economic practices and recovering illicit money. This has played an active role in safeguarding the socialist economic system, in correcting the party style, in promoting reform of the economic structure, and in stimulating production.

All the participating comrades held that since the 3d Plenary Session of the 12th CPC Central Committee, the situation in reform of the economic structure throughout the province has been good and most CPC organizations and party members have devoted themselves to the reform. However, a handful of departments and party members have engaged in new malpractices by taking advantage of the reform. Some people have already committed economic crimes.

In view of this, the meeting held that it is now necessary to effectively strengthen ideological education among party members, to correct their guiding thinking, and to curb the new malpractices. Meanwhile, it is also necessary to dispatch personnel to study and investigate new economic crimes in particular. It is necessary to organize personnel to swiftly investigate and deal with important and principal cases in violation of the interests of the state and people and to severely punish according to the law those who have been involved in the cases by taking advantage of reforms so as to ensure the smooth progress of reform of the economic structure.

YUNNAN MILITARY TO HELP MILITIAMEN GET RICH

HK181506 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 18 Mar 85

[Text] The CPC Committee of the Yunnan Provincial Military District has earnestly studied the spirit of the speech by General Secretary Hu Yaobang when inspecting Yunnan and has worked out realistic measures to reform militia work, to invigorate Yunnan's economy, and to help militiamen get rich. It has worked out four measures:

1. The provincial military district and the district and the People's Armed Forces departments at all levels must establish the guiding idea that helping militiamen get rich is the focal point of militia work.
2. It is necessary to treat correcting the guiding thinking on militia work as an important part of party rectification work of the provincial military district and firmly grasp it. It is necessary, through party rectification, to eliminate erroneous ideological influences, boldly reform militia work, and forge ahead.
3. Proceeding from reality, it is necessary to properly carry out organizational construction of the militia ranks, reduce militia training hours, and upgrade the militia training quality.
4. It is necessary to readjust the contents of militia training. Such contents as imparting knowledge about getting rich and introducing professional skills should be included in militia training so that militiamen can take up the heavy task of defending the border areas and making the state and people rich.

These measures formulated by the CPC Committee of the provincial military district have been relayed to all PLA units, military subdistricts, and People's Armed Forces departments under it for implementation.

PLA OFFICER COMMENTS ON LIFE AT YUNNAN FRONT

HK180926 Beijing ZHONGGUO XINWEN SHE in Chinese 0836 GMT 16 Mar 85

[Report: "Young Army Officer Talks About Life on Yunnan Frontline"]

[Text] Beijing, 16 Mar (ZHONGGUO XINWEN SHE) -- Huang Dengping, a young Army officer who stayed at his post on the Yunnan frontline, said that he missed his father, mother, and fiancée most. As for his motherland, he said: "I never forget it, because its land is right under my feet."

Huang Dengping joined the Yunnan frontier guards as ordered after graduating from a military school and took up the post of platoon leader on probation. He was awarded a Class-II citation for merit, and the squad by him was awarded a Class-I collective citation for merit. Recently he returned from the frontline and was interviewed by JIEFANGJUN BAO reporters. Today RENMIN RIBAO and GUANGMING RIBAO have reprinted this interview.

According to Huang Dengping, the most respected person on the frontline was a female doctor who was called the "goddess of destiny," and what was most hated was caring for nothing but saving one's life.

Referring to recreational activities there, he said that they often listened to the radio, sang songs, and sometimes cracked jokes. The programs he likes most are news, comic dialogs, and lyric music, and the song he loves best is "The Moon on the Fifteenth."

However, it is never quiet on the battlefield. A reporter asked: "How many shells does the enemy fire a day?" He replied: "I have not counted the exact number, but one day when someone unintentionally grasped a handful of earth in his hand, he found that there were eight fragments."

Huang Dengping said that in the battlefield he felt most bitter when he saw his comrades in arms lying dead beside him. But he felt happiest when he fired at the enemy in revenge.

As for his survival and return after being wounded twice in the fighting, he said: The survivors of the war are by no means lucky fellows. The cost for their survival is the blood and lives of their comrades in arms. This seems to be an unrepayable "debt." But I will repay it with my efforts throughout my life.

Today GUANGMING RIBAO carries a commentator's article praising the fighters on the frontline, who are displaying the spirit and mental attitude of the Chinese youths of the 1980's.

BRIEFS

SICHUAN BIRTH CONTROL -- China's most populous province, Sichuan, achieved remarkable results last year in practicing family planning. Last year's natural population growth rate was 0.4 percent. [Summary] [Beijing Domestic Service in Mandarin 2230 GMT 10 Mar 85 OW]

HEILONGJIANG URGES PROPER FARMING PREPARATIONS

SK150627 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 14 Mar 85

[Text] The provincial people's government held an administrative meeting on party rectification on 13 March to particularly discuss the current issues of farming preparations and spring farming.

The meeting pointed out: The total grain output of 1985 must remain within the volume of 35 billion jin, which has a vital bearing on whether or not the excellent situation in the province achieves steady development.

The meeting held that the situation prevailing in farming preparatory operation was very good. The broad masses of peasants are highly enthusiastic to produce. The speed of manure delivery and farm machine repair and the sales of chemical fertilizer were faster than that of the corresponding 1984 period. Various localities also readjusted their plans for planting and breeding undertakings in line with the need of developing commodity production. The planned acreage of soybean, rice, wheat, and cash crops throughout the province has been increased over that of 1984, and that of corn and gaoliang has been decreased.

However, there are still specified problems among current farming preparations. Some localities have not adequately curtailed the acreage of corn and reduced the consumption of chemical fertilizer. The tendency of loosening their attention to grain production has taken shape. In addition, a large number of localities are short of funds, adversely affecting the material supply of farming preparations.

The meeting pointed out: Leading cadres at all levels must be clear about the current situation because soon it will be time for spring sowing. By no means should they lower their guard with the bumper harvest reaped in the year. Various localities must implement in depth the spirit of Circular No 1 issued by the central authorities and the provincial policies concerned with regard to enforcing fixed prices in the 30-percent purchased volume of grains and added prices [jia jia] in the 70-percent purchased volume of them; enforcing fixed prices in the 20-percent purchased volume of them; abolishing the system of fixed quota in purchasing hogs; and to conducting price hikes in purchasing hogs. Efforts should be made to help every household understand the principle issued by the central authorities regarding not relaxing vigilance in grain production and actively developing the diversified economy. To stabilize the gross output of grains, extreme readjustment of proportions among various crops should not be allowed. In particular, areas chiefly engaging in corn production should not overly curtail their planting acreage of corn in order to avoid the large-scale fluctuation of total output.

The meeting urged the departments concerned to sign contracts with peasants as soon as possible so as to draw up the plans for purchasing farm products. Efforts should be made to truly relay economic information to peasants through the contents of their contracts. A good job should be done in dealing with the loan problems and should first aim at ensuring the smooth progress of spring farming. Other expenses may be put off for the time being. Agricultural loans should not be used for chemical fertilizer and oil fuel. Efforts should be made to vigorously grasp the task of providing material supplies for grass-roots level units, such as delivering the fuel oil, strains, and agricultural chemicals as soon as possible to farming households.



The leading personnel of the departments concerned at provincial, prefectural, city, and county levels should promptly go to the countryside to stay with peasants so that they can find out problems and solve them so as to strive to complete spring farming with high standards and quality and to lay a favorable foundation for realizing the total grain output of 35 billion jin. Governor Chen Lei and Vice Governors He Shoulun and Wang Lianzheng attended the meeting and spoke.

LIAONING EXPELS 'SMASH-AND-GRABBER' FROM PARTY

SK180148 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 16 Mar 85

[Text] With the approval of the Chaoyang City CPC Committee, (Li Yuanchun), ring-leader of a gang of rebels who led the masses to attack the (Binxi) Hotel and picked on and struggled against Comrade Song Renqiong during the Cultural Revolution, was designated as a smash-and-grabber during the second-stage party rectification, and was expelled from the party.

During the 10-year domestic turmoil, (Li Yuanchun) was the leader of the gang of rebels of the Shenyang Agricultural Institute. From October 1966 to January 1968, he led a group of people in smashing the archives room of the institute, and set up a clandestine tribunal to beat up more than 40 cadres and teachers. Some of them were beaten to death. During the Cultural Revolution, (Li Yuanchun), collected so-called black materials of veteran cadres, and personally listed the names of veteran cadres to be criticized and struggled against. At exposure-criticism meetings, he often cruelly persecuted veteran cadres with lethal weapons. He also led several hundred people in digging up the ancestral grave of a certain leader of the provincial CPC Committee.

During the latter period of the Cultural Revolution, (Li Yuanchun) was transferred to the Chaoyang City livestock breeding station. After the party rectification was initiated, (Li Yuanchun) refused to confess his problems during the Cultural Revolution. When his problems were examined, he raised numerous unreasonable requests, and even beat and wounded the leading comrades of the bureau.

Based on the mistakes and the present behavior of (Li Yuanchun) and in line with the policy of eliminating the three types of persons, the Chaoyang City Agricultural and Animal Husbandry Bureau decided to expell (Li Yuanchun) from the party with the approval of the Chaoyang City CPC Committee, and suggested that he be dismissed and placed on probation in his administrative post for 2 years as punishment.

ZHANG TINGFA AWARDS LIAONING MAINTENANCE GROUP

SK150531 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 14 Mar 85

[Text] Not long ago, Zhang Tingfa, commander of the PLA Air Force, and Gao Houliang, political commissar of the PLA Air Force, signed an order of awarding a First-Class Collective Citation for Merit to a certain maintenance group of the first division under the air unit of the Shenyang PLA Air Force in order to commend this group for ensuring safe flights over 34 years.

The major reasons for this group to have been able to ensure safe flights this long are because of its efforts to respect and cherish the talented people, its courage to break with the outmoded conventional concepts and the idea of deciding the level of position according to seniority, and its boldness in promoting and using the cadres with vigor, ability, and creativity. Cadres at or above the team leader level of this group are not only proficient in skills and handling affairs independently, but are also able to guide new cadres to study technologies. In light of its characteristics of strong mobility, this group has paid attention to the work quality, performance, and responsibility in developing the maintenance work and has constantly strengthened the scientific management, thus ensuring the reliability of its work.

CHINA POST EDITORIAL ON NEED FOR U.S. ARMS

OW181209 Taipei CHINA POST in English 15 Mar 85 p 4

[Editorial: "Arms for ROC"]

[Text] Two Americans, U.S. Senator Strom Thurmond of South Carolina and Richard Allen, former national security advisor, pledged to work with U.S. President Reagan to fulfill the Republic of China's military requirements. In a recent visit to Taiwan, Senator Thurmond said he would report to President Reagan on Taiwan's military requirements.

"I have been advised," he said, "that there are certain military equipment needs, and I will work with the President of the United States upon my return to see how those needs can best be met." The senator is chairman of the Senate Judiciary Committee. He headed a delegation visiting South Korea, Japan and the Philippines as well as the Republic of China.

Senator Thurmond emphasized that "the United States has important national security interests in the Pacific and I wanted to visit and speak with key officials personally."

Senator Thurmond believes that a military balance is the key to maintaining peace in the Pacific. He deplored selling modern military equipment to Communist China, which, he added, is a threat to that balance. It is vital, he added, "to keep the Republic of China strong so the Chinese Communists will be deterred from trying to invade Taiwan by force."

At a welcoming reception, Premier Yu Kuo-hwa emphasized the importance of freedom and urged the United States and the Republic of China, as well as other countries, to work together in the fight for democracy.

It was Senator Thurmond's third visit to Taiwan. He said he was impressed with the progress made during the last ten years and all peoples in the non-communist world should visit Taiwan and witness the economic miracle. The senator was given an honorary doctorate by Chinese Cultural University.

Mr Allen cited what he described as the growing Soviet threat in the Pacific and added that arms sales to Taiwan are an asset for all of Asia. He believes the United States must be prepared to send American troops to the Philippines in the event of an imminent communist takeover. Mr Allen is now a senior fellow on Asian affairs at the Heritage Foundation.

LEE TA-HAI NAMED NEW ECONOMICS MINISTER

OW131255 Taipei CNA in English 0950 GMT 13 Mar 85

[Text] Taipei, March 13 (CNA) -- The ruling Kuomintang Wednesday named Lee Ta-hai, chairman of the Board of Chinese Petroleum Corp., as economics minister of its Central Standing Committee weekly meeting.

Lee will succeed Hsu Li-teh, who resigned from the office Monday in the aftermath of the 10th Credit Cooperative loan scandal.

Lee, 66, of Liaoning, was graduated from National Southwest Associated University in Kunming, Yunnan Province in 1941. He once served as the general manager of Kaohsiung refinery and the president of Chinese Petroleum Corp.

DENG XIAOPING ON IDEALS, DISCIPLINE ISSUES

LK190203 Hong Kong HSIN WAN PAO in Chinese 14 Mar 85 p 2

["New Talk" column: "Deng Xiaoping on Ideals and Discipline"]

[Text] In recent days, people have noted that some departments in the interior have begun to adopt corrective measures against unhealthy tendencies. It is a new trend that such measures are implemented after repeated orders of the Chinese party and government, which have been all the more resolute of late.

The Central Commission for Guiding Party Rectification called a meeting in Beijing between late February and early March, at which Bo Yibo, vice chairman of the Standing Committee of the commission delivered a long speech, summing up the achievements made in first-stage party rectification work, and making an estimation of the situation of second-stage party rectification work. An important topic on the agenda of this meeting was to resolutely correct unhealthy tendencies in the new situation. In his speech, he listed new unhealthy tendencies in eight respects, which have been spreading, according to his analysis; but more important, the methods and measures to put a stop to the unhealthy tendencies were under study.

These unhealthy tendencies are "new" because they have emerged in the new situation, taking place under the excellent situation when economic development and reform are intensifying. The eight aspects of unhealthy tendencies take different forms; however, their essences are one, namely: "All these actions are taken under the banner of 'invigorating the economy' and 'reform,' and they all involve seeking personal gains or interests for some small units, disregarding the interests of the state and people; and all these actions disrupt the economy, and impede and sabotage reform."

Prior to the publication of the excerpts of Bo Yibo's speech in RENMIN RIBAO on 13 March, the four views of the CPC Central Committee on second-stage party rectification work as relayed by Hu Qili had already been published; also published was the essence of Deng Xiaoping's talk at the national science and technology work conference, in which Deng pointed out: "At present, some dishonest practices have emerged in economic reform. 'You have your policies, we have our countermeasures.' These 'countermeasures' are many. Communities must strictly observe party discipline." In the same talk, Deng Xiaoping set the demand that it is imperative to persist in developing spiritual as well as material civilization, and it is imperative to educate the people of the whole nation to really "have ideals and morality, and be educated and disciplined." Deng also touched upon the problem of unhealthy tendencies, and laid stress rather on positive education, relying on ideals first and discipline second in putting a stop to unhealthy tendencies.

We can take it that all forms of new unhealthy tendencies are minor aspects of the present excellent economic and political situation in China. However, the CPC top leaders have been much concerned about them. One statement of Deng Xiaoping has expressed it well: "The masses are very much displeased" with all kinds of unhealthy tendencies. It is true that some CPC cadres forget the masses once they have power in their hands. To cite just one example, these people opposed "eating from the same big pot". However, in the new situation, they have distributed money or goods by concocting various pretexts or abused power to seek personal gains, and they have extended the scope of providing free lunches at will without the sanction of the State Council, going in for "eating from the same big pot" in a new mode.

Having gone through turbulence China intends to become stable.



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Its economy is growing, prosperous and and vigorous after a long period of material exhaustion, and it is opening up to the world after a long period of closure. Deviations of all sorts are liable to occur in the course of all this. Deng Xiaoping's words are very important with regard to China's development at a still bigger and steady stride. In particular, if CPC cadres and members have no ideals and lack discipline, abuse power to seek personal gains, "look forward to money" and turn things into a mess regardless of law and discipline, then whither China?

YU QIULI CALLS FOR YOUNGER ARMY OFFICERS

HK131354 Hong Kong MING PAO in Chinese 13 Mar 85 p 5

["Special Dispatch From Guangzhou": "Speaking in Guangzhou, Yu Qiuli Says the Key to a Lower Average Age for Army Officers Lies in a Break With the Rules"]

[Text] The Chinese PLA is proceeding with streamlining and regrouping the Army in an effort toward "four modernizations" for Army officers, including revolutionization, younger average age, knowledge and specialization. This task has become one of the main components of the program for the second phase of the Army's party rectification.

Yu Qiuli, director of the PLA General Political Department, particularly stresses a break with the rules to reduce the average age of Army officers. He holds that the key to a lower average age for officers lies in a break with the rules.

After listening to a work report by the Standing Committee of the Guangzhou Military Region CPC Committee recently, Yu Qiuli pointed out that a lower average age for Army officers bears on the long-term development of the Army. After 2 years of readjustment, leading groups at the army, divisional, and regimental levels have become younger in average age. But the leading groups of organs above the army level are generally relatively old.

He said that the Army's overstaffing problem has been fought for as long as 10 years. The biggest problem lies in an inclination toward accommodation and sympathetic concern, always with a lack of necessary determination and lack of courage to break with the rules. The key to a lower average age for Army officers lies in a break with the rules. Without making a break, we cannot become bold. In terms of reform, this is the biggest task for the Army and also the most complicated and most difficult one. Only when this problem is solved can we turn the PLA into a modernized and standardized Army.

Yu Qiuli pointed out that faced with the streamlining and regrouping of the Army and the call for a lower average age for Army officers some officers are considering their own problem of leaving or staying. Also, with some of the local urban and rural residents being the first to get rich, certain officers have the feeling that they themselves are the losers.

He said that the solution to this problem mainly lies in educating the masses of Army officers so that they can foster an idea of wholeheartedly serving the people. The yardstick for measuring a person's qualifications as a party member is chiefly based on whether he can put pleasure after suffering, whether he can show willingness to suffer, and whether he can sacrifice his personal interests and even his life in case of need. This is a fundamental problem. When this problem is properly solved, the problem of duty and that of where a person is to be assigned can be handled easily.

It was also learned that all of the 300-plus Air Force unit officers set for retirement last year had registered by March with the governments of various areas to which they were assigned.

The Air Force headquarters of various military districts had sent people on many occasions to various areas to make arrangements for the settlement of retired officers. These arrangements included the location of settlement, housing and employment for family members.

TA KUNG PAO EDITORIAL ON TALKS BETWEEN KMT, CPC

HK151109 Hong Kong TA KUNG PAO in Chinese 15 Mar 85 p 2

[Editorial: "The KMT and CPC Should Make Contact and Hold Talks as Soon as Possible"]

[Text] The speech made by Deng Yingchao, chairman of the CPPCC National Committee, at the second national congress of Taiwan compatriots on 6 March is another sincere appeal to the Taiwan authorities to resume contacts between the KMT and the CPC and properly solve the Taiwan issue as soon as possible in the new domestic and international situation.

In her speech, Deng Yingchao expounded on how the principle and policy on the peaceful reunification of the motherland were put forth and developed, and expressed the sincere hope which she places in the Taiwan people. She particularly explained why the CPC must negotiate with the KMT, pointing out definitely: "The KMT holds the political, military, and other major power in Taiwan. If our negotiations with the KMT were successful, the problem of Taiwan's returning to the motherland would be thoroughly solved. We have had the experience of cooperation with the KMT twice before, and there is now a need and a possibility of a third cooperation with the KMT." This statement, which is a new message from the CPC Central Committee and the State Council to the Taiwan people and to the KMT authorities, reflects the reasonable and realistic attitude of the CPC in pursuit of peaceful reunification of the motherland.

One of the reasons the KMT authorities have rejected the proposal for peace negotiations is that they have had the wrong impression that the negotiations would become talks between local and central authorities, and they have been afraid of being "bullied" by the CPC as the stronger party in the negotiations. To set the KMT leaders' minds at rest, Deng Yingchao has declared that the proposed negotiations will not be talks between central and local authorities but between the two parties on an equal footing. Deng Xiaoping has also declared on many earlier occasions that the CPC wishes to accomplish the great cause of reunification in cooperation with the KMT through equal talks between the two parties, that neither side would hurt each other, neither the KMT being eliminated by the CPC, nor vice versa; that the CPC is willing to listen to the KMT's opinions, and that the CPC understands that either party's "unilateral wishful thinking" can achieve nothing. In any case, the KMT authorities should no longer be worried about being "bullied" by the CPC as the "stronger party" in the negotiations.

To strive for the reunification of the motherland is everybody's duty, and the ruling parties should shoulder heavier responsibility in this effort. Therefore, when talking about the proper settlement of the Taiwan issue, Deng Yingchao emphasized: "This is the responsibility of our two parties, and also an unshirkable glorious mission of the 1 billion Chinese people, including Taiwan compatriots." Out of lofty national feelings, the CPC has already put forth a series of fair and reasonable proposals. The party has even presented recently the idea of "one country, two systems." However, so far the KMT authorities have never made any useful and constructive offer, apart from the empty slogan of "uniting China in accordance with the three people's principles." As the political party holding the political and military power in Taiwan, the KMT should play its due role in the efforts to reunify the motherland.

While appreciating the KMT's adhering to the principle of one China, people hope the KMT authorities will face reality, live up to the 1 billion Chinese people's expectations, and make glorious contributions to the great cause of the reunification of the Chinese nation.

The 1 billion Chinese people's strong desire for the reunification of the motherland is bound to be realized. Under the present circumstances, the most feasible approach to the reunification of the two sides of the Taiwan Strait is to initiate the third cooperation between the KMT and the CPC which will lead to the smooth process of Taiwan returning to the motherland through negotiations. Deng Yingchao holds that there is now a need and a possibility of a third cooperation between the KMT and the CPC. As a worldwide trend, all countries that are split or are faced with historical issues have been seeking a feasible approach to reunification. An early termination of the split between the two sides of the Taiwan Strait will not only help the motherland to prosper but will also help to safeguard peace and tranquillity in Asia. At home, the mainland has undergone thorough changes since the 3d Plenary Session of the 11th CPC Central committee; a political situation characterized by stability and unity has emerged; the people's livelihood has been gradually improved; and the people throughout the country are striving for the four modernizations with one heart and one mind. This is the best period in the 30-odd years since the founding of the PRC. Meanwhile, Taiwan, the treasured island of the motherland, has also made considerable economic progress. The people on the island have shown a stronger and stronger desire for a termination of the separation between the two sides of the Taiwan Strait. Thus, the most favorable international and domestic conditions for the KMT and the CPC to initiate a third cooperation are now available. Moreover, if they hold talks, the KMT and the CPC would be on an equal footing. Both sides can put forth their own ideas and proposals and try, through patient consultations, to reach a final and optimal plan for the reunification of the motherland.

Now that Beijing and London have reached a satisfactory settlement of the Hong Kong issue, why, then, can the Taiwan issue not be appropriately solved between the KMT and the CPC, both descendants of Emperor Huang Di?

#### REPORTER VIEWS SITUATION ON PRC-SRV BORDER

HK150527 Hong Kong SOUTH CHINA MORNING POST in English 15 Mar 85 pp 1, 7

[By Kevin Sinclair: "Just Back From the Sino-Vietnamese Border"]

[Text] People along the Guangxi border with Vietnam seem prepared for an inevitable repetition of the 1979 war. They ask themselves not if large-scale conflict will break out, but when. And where. The answers seem to be that there will be major developments soon. The likeliest action spots will be on the mountainous western sections of the Guangxi-Vietnam border and in the Yunnan section of the dividing line where the People's Liberation Army struck in 1979. Chinese officials I spoke to described Vietnamese actions as "intolerable provocations." That seem to be a universal opinion in China.

The peasants on the border are angry at the ceaseless sniping which takes a toll of lives in their villages. Local town and county officials are dismayed at the constant pressure they describe as coming from Vietnam and such practices as kidnap raids into China by Vietnamese security police.

Back in the Guangxi provincial capital of Nanning, the vice-chairman of the Guangxi Zhuang Autonomous Region, Mr Gan Ku, warns that China today -- as in 1979 -- has a duty to guard its borders.



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Mr Gan, a former senior military man, adds that the People's Liberation Army is ready to do its duty. "We can defend the frontier," he told me.

Over the past two weeks, in border villages and country towns in Guangxi, in Nanning, in Canton and in Peking itself, officials from the humblest to highest levels have repeated a familiar refrain: Vietnam cannot expect China to continue to display forbearance for much longer.

Said a knowledgeable observer in Peking: "Even during the height of the American involvement in Vietnam, when the United States Air Force was mining Haiphong Harbour and bombing Hanoi, there were strict orders that kept all planes at least 20 miles from the border. "America did not want to get into a shooting war with China. But Vietnam seems willing, even determined, to provoke China."

Why is Vietnam taking the awesome risk of twisting the tail of the dragon? Nobody seems to know. But the impression I get is that China is preparing to strike back, with a vengeance. All indications are that such moves will come soon.

Although I was unable to get to the recent flashpoints where Chinese and Vietnamese regular units have clashed, it is obvious throughout Guangxi that something is afoot. No official I questioned would directly admit that a major Chinese strike is imminent. Nor would they deny it. But several pointed out that today, March 15, is the seventh anniversary of the "strategic withdrawal" of the PLA from Vietnamese territory after the invasion of 1979 when the Chinese Army marched south to "teach Vietnam a lesson." A spokesman for the Guangxi Government said in a telephone interview late yesterday afternoon that the border was quiet). This week, Nanning itself, 120 km back from the front, did not seem like a city on the brink of war. The local command headquarters for troops on the Guangxi section of the border is in the city. There are plenty of soldiers evident in the streets and the occasional camouflaged Army lorry, apparently back in town from the front, can be seen near military barracks whose entrances are marked with red stars.

At the airport, silver MIGS and camouflaged jets line one end of the runway. A small number of military transport planes are parked off the tarmac. They are guarded by armed soldiers but there seem little evidence that the aircraft are about to fly off to combat or carry troops to war. The main military airstrips, however, are far from the civilian airport so the lack of activity there does not mean much.

Down towards the border and the coast, where special permits are needed to travel, units of the People's Armed Police scrutinize passing vehicles. Close to the border, in the river town of Dong Xing itself, those troops that can be seen are obviously off-duty, shopping and wandering through the streets. The border watches are stood by local militia volunteers.

The PLA is out of sight but, I was told, ready to act swiftly if they are needed to repulse any Vietnamese activity around Dong Xian.

How long would it take them to take up position on the border line itself? About 15 minutes, I was assured.

But it is not at Dong Xing that any Chinese move will come. The guns will bark hundreds of kilometres inland, probably around the Guangxi towns of Pingxiang where the inaptly-named Friendship Pass is situated. Or further up the border around the Ha Giang where the Vietnamese forces are entrenched on commanding heights. Or along the Yunnan section of the front where the PLA struck deeply in 1979.

I asked for permission to visit these areas. It was refused. "Too dangerous," was the explanation. It may soon become dangerous for the Vietnamese.

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